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POLL: LITTLE VOTER CONFIDENCE IN SDP AS VIABLE ALTERNATIVE

Copenhagen BERLINGSKE TIDENDE in Danish 15 Jul 87 p 3

[Article by Asger Schultz]

[Text] Whether the Social Democrats represent a real so-called political "alternative" to the present government has practically become a permanent theme in the long-term political debate. Judging from voter opinions the answer seems to be no and the Social Democratic "alternative" cannot even attract the support of a majority of the party's own voters.

This and other things were revealed by a survey conducted by the Gallup Institute. A representative sample of the Danish population was first asked this question:

"We will have a Folketing election in the fall and the election campaign is already getting under way.

"In connection with this people are talking about whether the opposition, in this context the Social Democratic Party, is capable of forming a government, in other words whether it has a clear policy to offer as an alternative to the present government's nonsocialist policy.

"If you were to compare the opposition, in other words the Social Democratic Party, with the government on this point, which do you think has the clearest policy, regardless of which side you tend to support otherwise?"

The answers are shown below:

<u>Party sympathy</u>	<u>Social Democrats</u>	<u>Govern- ment</u>	<u>Don't know</u>	<u>Total</u>
Entire group	18%	44%	38%	100%
To right of Social Democrats	4	77	19	100
Social Democrats	45	14	41	100
To left of Social Democrats	37	30	33	100

In the first place we see that the percentage of "don't know" responses is quite high, 38 percent. So even though the theme has been given a lot of attention in the political debate, it is not equally clear to the voters. In the second place we see that a relative majority, 44 percent compared to 18, felt that the government has the clearest policy. Among nonsocialist voters more than three-quarters (77 percent) shared this opinion, which is hardly surprising. On the other hand it is surprising that the Social Democratic voters cannot mobilize majority support for the assertion that the Social Democrats have the clearest policy. It is also worth noting that only 37 percent of the voters for parties left of the Social Democrats, the overwhelming majority of them supporters of the Socialist People's Party, said the Social Democrats had the clearest policy, while no less than 30 percent said the government has the clearest policy.

In connection with the question of clarifying the Social Democratic "alternative," there has been an open discussion of the timeliness of a change in leadership. And therefore this question was asked:

"Do you think it would be an advantage for the Social Democrats if they change party leaders before the election?"

The answers went like this:

<u>Party sympathy</u>	<u>Yes</u>	<u>No</u>	<u>Don't know</u>	<u>Total</u>
Entire group	42%	37%	21%	100%
To right of Social Democrats	41	44	15	100
Social Democrats	45	37	18	100
To left of Social Democrats	51	41	8	100

Only a modest relative majority (42 percent compared to 37 percent) favored a change in leadership. A similar survey a year ago indicated a considerably more pronounced desire for a change in leadership. The relative majority among Social Democratic voters is also modest, 45 compared to 37 percent. A year ago the figures were 43 percent and 35 percent respectively, meaning that the situation is almost unchanged.

In connection with this question, respondents were also asked this:

"There has also been open discussion concerning who should succeed Anker Jorgensen as chairman of the Social Democratic Party.

"Which of these Social Democratic politicians do you think should succeed Anker Jorgensen?"

Here are the answers:

<u>Politician</u>	<u>Entire group</u>	<u>To right of SDP</u>	<u>To left of SDP</u>
Svend Jakobsen	19%	28%	7%
Ritt Bjerregaard	7	5	14
Svend Auken	29	21	53
Knud Heinesen	11	17	4
Mogens Lykketoft	3	4	5
Don't know	31	25	17
Total	100	100	100

Svend Auken clearly stands strong among the five politicians voters were allowed to choose from. And he has clearly consolidated his position in relation to a year ago, when there was almost a "dead heat" between Auken and Svend Jakobsen. At that time 24 percent named Svend Jakobsen and 26 percent Svend Auken. Now Svend Jakobsen has fallen to 19 percent while Svend Auken has gone up to 29 percent, even though Mogens Lykketoft was added to the list of choices presented to respondents. He was not included in the poll a year ago.

Among Social Democratic voters Auken has a very strong position and among voters to the left of the Social Democrats, in other words primarily supporters of the Socialist People's Party, Auken stands supreme. Quite interesting in light of the "truce" between the two parties.

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CSO: 3613/121

SDP DEPUTY CHIEF ON ELECTION PROSPECTS, PARTY PLATFORM

Copenhagen BERLINGSKE TIDENDE in Danish 5 Aug 87 p 7

[Article by Thorkild Dahl and Per Lyngby: "Bloc Politics Must Go"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Svend Auken, deputy chairman of the Social Democratic Party, expects his party to make substantial gains in the final phase of the election campaign, giving the Social Democrats 34 percent of the vote compared to their current Gallup rating of less than 30 percent.

"A majority consisting of the Social Democrats and the Socialist People's Party [SF] must definitely avoid repeating the stupidity of the nonsocialists and saying that as long as they agree with the Radical Liberals, they have a majority. The most important task of an SDP-SF majority should be to break up bloc politics."

SDP deputy chairman Svend Auken is in no doubt about that.

Nor does he doubt that the impending Folketing election--"the most realistic date is 3 November"--will result in a government led by the Social Democrats.

He made that clear in a conversation with BERLINGSKE TIDENDE.

"It is a historical fact that the Social Democrats have problems when they are in the opposition," said Svend Auken. "We are best at shouldering responsibility and heading the government."

"Therefore it is a tragedy for Denmark that those who are excellent at being in the opposition, namely the nonsocialists, are in charge of the government. And that those who are good at running the government are in the opposition. Of course this ought to be reversed and this should be one of our themes in the election."

Svend Auken went on:

"It is undoubtedly also a historical fact that an election campaign--specifically a long campaign--provides some benefits for the Social Democratic

Party. So it would be wise not to underestimate our organization in the coming election. We have 100,000 members who are ready to fight for us in the local communities.

"An election is not won by money and advertisements. An election is won as a result of the discussions that take place among people at work, at home and within the family.

"Our initial position in the campaign is a difficult one but we refuse to go around and discuss internal crises or the like, for that simply has a paralyzing effect. We have to look ahead."

Svend Auken is not shy about giving figures for the immediate future prospects of the Social Democratic Party:

"I believe the Social Democrats and SF will have a majority after the election. A likely election outcome is 34 percent of the votes for the Social Democrats and 14 percent for SF. In relation to the opinion polls, which gives us an average rating of 30 percent, this means that the Social Democrats must pick up 4 percent more voters during the campaign. Of course we can do that."

Unconcerned About Proportions

However Svend Auken is not so forthcoming about how much influence SF will have in a government cooperation with the Social Democrats:

"A government cooperation between us and SF is not a question of the number of seats each of us has. It is a question of realism and innovative thinking in the things we do together.

"The mechanical idea that the number of seats should be the guideline for which policy to pursue is out of date. If the government becomes a general store where we each sit on our own side of the counter and bargain with each other, it will collapse.

"And we must also be open to viewpoints outside the Social Democratic Party and SF. We must not practice bloc politics.

"But if we are to halt the bloc politics of the nonsocialist parties we cannot cast ourselves on the ground and turn our gaze toward Lejre—or wherever the Radical stronghold lies—three times a day. We simply must demonstrate in terms of election results that there is a clear government alternative. And afterward, in practical policy, we must be more open than the present government."

In general Svend Auken believes that the election will be decided by the large voter group that lacks a permanent political abode. Especially the large number of young people, for he sees no reason why SF should monopolize this group.

"The young people who have not yet taken a position are closer to the Social Democrats in their basic attitudes than to any other party. Young people's sympathy for SF is partly due to a personality fixation.

"There is little doubt that Gert Petersen has a better grip on them than many of the rest of us. His personality resembles a cross between Marx and Lenin in a Danish version. And he is also a good and capable man.

"But the Social Democrats have no reason to worry about voter support in the long run," Svend Auken said.

Svend Auken's Election Themes

The economy, employment and job policy. This is a very large and vital group, perhaps not the most thrilling issues, but very important from a political point of view.

Education at both the elementary and higher levels. There will be an enormous need for increased educational efforts and innovative ideas are needed when it comes to utilizing resources, class ratios, etc.

The environment and perhaps some emphasis on culture.

Security. This applies to job security, security for the elderly, protection from violence.

Lesser themes will include the concept of democracy, control, the public sector, decentralization.

And of course the problems of cooperation after the election. The non-socialists will pound away at SDP-SF and say Soviet leader Gorbachev might be preferable and things of that sort. And the Social Democrats will talk about the murky nonsocialist majority with the Progressive Party.

However foreign, security and defense policies will not be themes in the election campaign. There is general agreement on NATO membership and the East-West arms reduction talks and it is also difficult to get people worked up about these matters.

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MOTZFELDT ASSESSED ON OCCASION OF ELECTION VICTORY

Reykjavik MORGUNBLADID in Icelandic 16 Jun 87 pp 32-33

[Article by Lars Toft Rasmussen, Ritzau News Office Reporter; Previously with the GRONLANDSPOSTEN in Nuuk and the ICC [Inuit Association]: "Motzfeldt: Controversial Centrist in Greenlandic Politics"]

[Text] The chairman of the Greenlandic government, Pastor Jonathan Motzfeldt, recently withstood an attack launched against him by his party colleagues in Siumut in order to remove him from office. Motzfeldt is still the leader of the Greenlanders and he does not come away unscathed from the battle mounted against him by the left-wing of his party under the leadership of Lars Emil Johansen, former member of the Danish Folketing and a member of the Greenlandic government. There is every indication that Siumut will elect a new chairman when the national congress meets in August. That will test how long Motzfeldt will be able to hold on to the chairmanship in the Greenlandic government in the race for this position between him and his party colleague Lars Emil Johansen.

When the Chairman is Present, All Quiets Down

For 8 years, Jonathan Motzfeldt has had a greater part than any of his countrymen in painting the picture of Greenland which the rest of the world knows. Although Motzfeldt has in many areas followed a more modest and conservative policy in politics, he has the reputation of being radical and even fanatic.

There has always been controversy around this 48-year-old son of a fisherman from Qassimiut in South Greenland. Despite his middle of the road policy and total support for continued confederation between Greenland and Denmark, he has frequently managed to cause a stir.

More than once, his middle of the road policy has lead to flirtation with the nonsocialist party Atassut which has been in the opposition. As Motzfeldt has been to the right in his party, Siumut, he has felt that he did not have too far to reach; but the left wing, with Lars Emil Johansen at the helm, has reprimanded the chairman severely.

Motzfeldt is strongly built, and his genuine Greenlandic facial features exude strength and courage, which he has been able to utilize in politics. During the span of time, many and different remarks have been made about his leadership work, but when the chairman of the government is present, everything becomes quiet and all are quiet as lambs. Such are the effects of the leader's personal qualities.

One of Greenland's Most Conservative Politicians

Among officials, Motzfeldt is known as an energetic leader, although they have also borne the brunt of the master's quick temper. He has "fired" most of the officials who have worked with him through the years in heated scenes, but he has accepted them back after he has cooled down.

Motzfeldt also fired Greenlandic Minister Tom Hoyem but Paul Schluter reconciled them. The relationship between Motzfeldt and Hoyem improved with the years but never became too friendly. That was based more on personal reasons than political ones. At any rate, Motzfeldt and Foreign Minister Uffe Ellemann-Jensen got along very well, although the latter mentioned was a member of the same government as Hoyem and was on a similar wave length politically. Motzfeldt did not like Hoyem's academic behavior, but on the other hand, he liked that Uffe Ellemann-Jensen was willing to discuss matters in a relaxed atmosphere, row out on the fjord--in the company of several "beer drinkers."

Many Danes have viewed Motzfeldt to be a fanatical leftist whose only objective was to cut the ties to Denmark. This is most likely because of how temperamental and blunt he is in his speaking. But the fact is that Motzfeldt is one of the most conservative politicians in Greenland--in the most literal meaning of the word.

It is primarily Motzfeldt who has decided that "status quo" or an unchanged situation has prevailed concerning Greenland's relations with the rest of the world. He has never been in favor of Greenland cutting the ties with Denmark. Contrary to that, he has ever since the home rule was established talked about the "historical, cultural and biological connection" with the little motherland in Europe.

His goal was to establish a home rule which would in every way act within the framework of the confederation. And it was primarily due to his actions--and his party colleagues, Moses Olsen and Lars Emil Johansen--that this idea became reality in 1979.

Motzfeldt was made an honorary doctor in political science at the University of Fairbanks in Alaska in 1985 for his contribution in this area.

Greatly Influenced by His Trip to the United States

Nor has Motzfeldt been lukewarm in his support to NATO and the United States. He has been an avid spokesman for "status quo" in that arena as well. It was just because of his firm opposition to grumble against the renewal of the U.S. radar station in Thule--as well as his loyal solidarity with Uffe Ellemann-Jensen--that elections were called in Greenland this spring.

Motzfeldt's positive stand on the presence of the U.S. military in Greenland was greatly strengthened when he took a trip to the United States in the beginning of 1981. According to his close associates, the trip had a lasting effect on the chairman of the government, and he was received there as a leader of a nation. In that, the Americans, knowingly or unknowingly, played to Motzfeldt's vanity. Red carpet treatment and black limousines; talks with Vice-President Walter Mondale; a visit to the command center of the U.S. air defense deep in the Cheyenne Mountains in Colorado Springs played a part in strengthening his good will toward the United States and to sharpen his understanding of the importance of Greenland for the defense cooperation of the western states.

Motzfeldt was also conservative in his position to the European Economic Community, and he happened to speak kindly about the alliance in BERLINGSKE TIDENDE 1977. That cost him the chairmanship of Siumut, although he managed to regain it. He later played an important role in the fight against the membership in EEC and Greenland's withdrawal from the alliance in the beginning of 1985.

"Ayatollah Motzfeldt"

Jonathan Motzfeldt is a typical father of the country in his official work and he seems to like that role well. He is a theologian by training and worked as a minister in Qaqortoq (Julianehab) until the home rule was established in 1979. His connection with the church lead to the fact that during the first years in the office of chairman, he was called "Ayatollah Motzfeldt." He was amused by this in the beginning but asked to have that label removed as it became clear how the developments progressed in Iran.

Of course the comparison with Khomeini was an exaggeration, although Motzfeldt has had great power all through his administrative period. For 8 years, he has been both the chairman of the government and the national congress which is unique from a political and legal point of view. In addition, he has been chairman of Siumut and the powerful consultation committee which handles raw materials affairs and forms the policy in oil exploitation and mining in Greenland.

"I Am Going to Get One of Those..."

Motzfeldt would very much like to see his dream of Greenland becoming less dependent on Denmark economically come true; he would like to be the leader of a rich oil nation.

All this came forth in a visit he made to Alaska in 1980. There, along with Danish and Greenlandic politicians, he learned about the activities of the Arcos Oil Company in the Nordic region.

The politicians were flown in a small Lear jet, owned by the company. When the jet shot like an arrow up to the blue skies, Motzfeldt leaned back comfortably in his seat and said to the person next to him: "I am going to get one of these when we find the oil."

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CSO:3626/2

GREENS APPROACH GDR REPRESENTATIVE ON TRAVEL, ENERGY ISSUES

Nunich SUEDEDEUTSCHE ZEITUNG in German 29 May 87 p 6

[Article by "dr.": "Greens Deplore GDR Travel Bans--Delegation Lodges Complaint with GDR Representative Moldt in Bonn"]

[Text] In a meeting with Ewald Moldt, the permanent representative of the GDR in the FRG, the Greens executive committee and Bundestag fraction lodged a formal complaint against the ban on travel to the GDR imposed on members of their party. This first meeting following formation of the new Greens fraction and the election of the new executive committee took place in Moldt's residence at Hersel.

On behalf of the approximately 12-member Greens delegation, Waltraud Schoppe, Brigitte Berthold, Peter Sellin and Wilhelm Knabe addressed the travel ban issue. They charged that Greens members had frequently been turned back at the GDR frontier without reason or recognizable motivation. Moldt's reply was that the Greens must obey the laws of the GDR like everyone else and that anyone who refuses to do so must expect to be turned back. The Greens' "political playground" is the FRG, he said.

The GDR authorities have never offered an official explanation for turning the Greens back; but it is assumed that the reason behind it were several demonstrative acts by the Greens in East Berlin. It is also likely that the GDR authorities are perturbed about the fact that the Greens maintain unofficial contacts to East German peace and environmental groups.

In their meeting with Moldt, the delegation also touched on the subject of holding a joint symposium on energy policy in the GDR. This possibility was raised at one time by Volkskammer President Fritz Sindermann and Hans Reichelt, the GDR minister for environmental affairs; but the Greens had heard nothing about it since. Moldt called on the Greens to draw up specific proposals and said that he would transmit these with his "favorable recommendations." Wilhelm Knabe, a former member of the staff of the North Rhine-Westphalian environmental protection agency pointed out that both German states were "permanently violating each other's borders" through water and air pollution. Making reference to scientific studies which indicate that cheap energy prices have led to a tremendous waste of energy in the GDR, Knabe said that air and water pollution do not recognize any frontiers.

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CSO: 3620/272

PARTIES PONDER TECHNOLOGY'S IMPACT

Bundestag Discusses Study Group

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 13 Jun 87 p 4

[Article by "K.B.": "Technology Committee Dispute"]

[Text] Bonn, 12 June--For the time being no majority can be found in the Bundestag for the creation of an independent committee to evaluate the social and economic consequences of new technologies. A fact-finding committee which dealt with this issue during the last legislative session had called for the establishment of a committee to advise the Bundestag on these issues. Almost all Bundestag fractions are undecided on whether and when a second fact-finding committee is to continue work on this matter. Thus far, only the FDP Bundestag fraction has reached a clear decision. FDP Deputy Gruenbeck announced yesterday that his fraction has unanimously voted against creating a permanent, independent committee to evaluate the consequences of technological change.

SPD Deputy Schreiner, a member of the first fact-finding committee, is unhappy about the fact that his efforts to continue the committee's work have met with only scant response. There is no real interest in the Bundestag in timely evaluation of the consequences of technological change and in drawing the appropriate political conclusions from them. None of the fractions are giving enough attention to the proposal to establish an independent parliamentary committee to evaluate technological change. The Bundestag is voluntarily giving up its prerogatives by not creating an advisory body of its own, Schreiner says. SPD Deputy Vahlberg and former committee chairman Bugl jointly called on the Bundestag to take a sober and rational approach toward establishing a permanent advisory committee. They charged the government coalition with reneging on its previous positions. Vahlberg deplored the fact that the SPD voted with the majority on the economic committee to shelve the proposal after a brief debate. But there are some SPD deputies who fear that the creation of an independent advisory committee would open the door for still another large-scale bureaucratic institution.

Greens Stress Ecological Issues

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 22 Jun 87 p 6

[Article by "bhr.": "Greens Say Technology Must Be Debated"]

[Text] Stuttgart, 21 June--The Land plenary meeting of the Greens in Leinfelden near Stuttgart this weekend adopted a resolution which states that "the Greens in Baden-Wurttemberg are not against all technology." A closer reading of the resolution, however, indicates that the Greens are not for all technology, either. The Greens of southwestern Germany mean to initiate a trend within their party throughout the FRG by adopting this resolution and raising the technology issue. They admit, however, that they have taken up the issue for the primary purpose of distancing themselves from Minister President [Lothar] Spaeth [CDU] who has dominated Land politics with his high-tech stand. The Greens charge the top SPD candidate in the upcoming elections for the Landtag, Spoeri, that he is trying to outdo Spaeth in this field.

The Greens fraction chairman Kuhn in the Stuttgart Landtag has made it clear that the Greens favor "putting an end to unacceptable risk technologies" and launching an "alternative technology policy." There is a great number of old and new technologies which could help solve ecological and social problems, e.g. solar energy and research into natural colors to replace synthetic colors. The resolution drafted by Kuhn and other Greens Landtag deputies and passed by majority vote at the plenary meeting states that "current technological logic is incompatible with the goals of an ecological, social, basis-democratic, non-violent society...It aims at domination and exploitation of nature and of human beings. The existing technological precepts are authoritarian technological precepts; they constitute out-and-out domination." The Greens of Baden-Wurttemberg are calling for "a democratic technology which does not approach nature like an army" and for controllable technologies that "can tolerate mistakes." A decentralized energy system based on regenerative energy resources and power-heat exchange can tolerate mistakes because human error will not result in a catastrophe. Nuclear technology, on the other hand, is a catastrophe technology that can never be brought under control. At the meeting site the Greens put up a banner which read "technology must be debated." An accompanying drawing showed Charlie Chaplin struggling with a cogwheel.

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CSO: 3620/266

NEW WINDS FROM USSR LITTLE IN EVIDENCE AT SKP(Y) CONGRESS

Sinisalo Suspects Kivisto Policies

Helsinki HELSINGIN SANOMAT in Finnish 6 Jun 87 p A 9

[Article: "Sinisalo Does Not Consider Kivisto Suitable for Foreign Policy Leadership"]

[Text] In the opinion of Chairman Taisto Sinisalo, Kalevi Kivisto, the presidential candidate of the SKDL [Finnish People's Democratic League] is not a good candidate for our country's foreign policy leadership since he did not have the ability or the desire even to be a member of the SKDL's or his own organization's foreign policy leadership. Chairman Taisto Sinisalo stated on Friday at a press conference of the congress of Taistoite [Stalinist] Communists that Kivisto's role in breaking up the People's Democratic movement also attests to his unfitness for the leadership of our foreign policy.

Still in the previous presidential elections the Taistoite only voted for Kivisto as president.

The Taistoites have proposed cooperation in the presidential elections to the Central Committee of the SKP [Finnish Communist Party], the SKDL, and to the Greens. In his speech to the congress Sinisalo said that "the SKP Central Committee and the SKDL are not prepared to recognize us and Deva [Democratic Alternative] even as negotiating partners".

In Sinisalo's opinion, the SKDL's goal is to prevent Deva's participation in the presidential elections by "some kind of an adopted son attempt".

Sinisalo, however, stated that the proposal remains in effect. "The nomination of various presidential candidates is also not an obstacle to an election alliance between Deva and the SKDL," said Sinisalo.

General Secretary Jouko Kajanoja has been proposed as the candidate of Deva, the Taistoite election party.

Taisto Sinisalo opened the "21st Congress of the SKP(Unity)" in Espoo's Dipoli with a 2-hour and 40-minute report, in which he criticized the government

cooperation of the Social Democrats and the Conservative Party, among other things. According to him, the government's program is built on the goals of the Conservatives in all its fundamentals. "Its whole point of view proceeds from the needs of enterprises and not the needs of the people." Sinisalo also pointed out that the campaign promises to triple child support subsidies and to eliminate homelessness, for example, have not been fulfilled.

Sinisalo emphasized that we now need an assembling of the forces of change:

"There is not one single Communist, People's Democrat, Social Democrat, Green, Center Party member or even a blue collar worker, white collar worker, farmer, student, an unemployed person, or a pensioner who voted for the Conservative Party with whom we would not be prepared to cooperate to accomplish change because of their party conviction."

In Sinisalo's opinion, the Communists have much to learn from those holding power, those working on behalf of peace, the movement of parents and day care workers as well as from other factions operating outside of parliament.

According to Sinisalo, the international activities of Communists are characterized by a "new thinking", which emphasizes the importance of environmental protection and disarmament. Sinisalo supported Gorbachev's thinking according to which nuclear weapons should be eliminated from Europe by the year 2000.

The meeting will not decide on the formation of a new party. The audience applauded when Sinisalo asked why they should voluntarily give up the SKP's name, flag, regulations, and platform documents just when preparations are being made to celebrate the 70th anniversary of the establishment of the SKP.

Delegations from 15 countries are participating in the Taistoite's congress.

The congress will continue on Saturday with a general discussion. The agenda for Sunday includes an election of the Central Committee and the meeting will conclude in a celebration in Helsinki's Ice Arena.

Voters Ignoring Feuding Communists

Helsinki HELSINGIN SANOMAT in Finnish 6 Jun 87 p A 9

[Commentary by Katri Peltola: "Arguing Has Become Way of Life for SKP"]

[Text] "They concentrated so much on solving their differences that society bypassed both of them," noted an observer, who follows the split in the Finnish Communist Party from the witness box.

The minority led by Taisto Sinisalo and the majority led by Arvo Aalto have, in fact, been split for several years already after decades of feuding even though both sides still use the common name SKP.

The Communists will now hold their congresses a week apart. The Taistoites will begin on Friday in Espoo's Dipoli and Aalto's faction will convene a week later in Helsinki's Cultural House.

There is no need to ask about what the Communists are feuding. They are feuding everywhere in Europe; the Greek Communist Party has recently split into two factions, Sweden's Communists are growing further apart.

Even in Finland the Communists have argued ever since the time Aarne Saarinen's supporters seized power from the so-called Stalinists. Initially, they argued over the interpretations of Marxism and Leninism. Now the dispute is routine, and the subjects are money, parliamentary work, number of members, expulsions, Soviet relations, and so on.

In Hannu Salama's novel "60-vuotias Salmisen Maija" [The 60 Year Old Salminen's Maija, father Stalin's disciple, placed her hopes in youth in the 1970s: "And the hope of society is that the young people who are now taking charge would be different than we were, less quarrelsome, more comradely, and would see that the only guiding light of humanity in this world is that socialism will gradually be victorious in everything. And completely unlike our generation, the workers have understood this. We old ones are no longer worth a plug nickel even, and those Junnilas and other devils who have done wrong their whole lives and are well aware of this deserve nothing more than to die while writhing before a firing squad."

But Maija hoped in vain.

The SKP continues to be dominated by a group of approximately the same age as Salminen's Maija. The most recent membership poll conducted by Aalto's faction reveals that more than 70 percent of the members is comprised of men and one-third is retired or at least approaching retirement age. On the other hand, those under 30 years of age make up only 4 percent in the party.

The Taistoites argue that Aalto's faction aged the moment it expelled the Taistoites. But even they must admit that aging is a threat.

A cynical witness is not even concerned about the aging of the factions:

"If the party is only a way of life, an enjoyable group living out its retirement years, it does not make any difference whether its support is 5 or 7 percent."

Split

Aalto's group brought an end to the 20 years of feuding by throwing the district organizations of Sinisalo's gang out the door in the fall of 1985. The Taistoites became organized in April 1986 and elected Taisto Sinisalo as their chairman. The SKP's minority, the Taistoites, became a shadow party, "SKP (Unity)" or "SKP's organizations".

Last December the municipal court ruled that the expulsions of the Taistoites were illegal. Aalto's faction filed an appeal with Court of Appeals. And when the Court of Appeal's decision is handed down, the factions will then fight over which one will have the right to use the name Finnish Communist Party.

The Taistoite MP's were expelled from the parliamentary group a year ago. In order to participate in a tv panel discussion, the Taistoites had to form a election party, the Democratic Alternative, whose figurehead is not the actress Kristiina Halkola.

But in spite of Halkola -- or because of her -- the number of Taistoites in parliament dropped from 10 to four. The number of the SKDL's majority MP's decreased from 17 to 16, of whom four are Socialists.

Soviets

Aalto's factions and the Taistoites jealously guard their favored status with the Soviet Union.

The Taistoites, who even only a year ago considered it their right to manage Eastern affairs for the Greens, were initially the favorites of the Soviets. When the party split, Aalto's faction was put completely out in the cold until last November when the number two man in the Soviet Communist Party, Yegor Ligachev, announced that both factions will receive the same size apple from the Soviet Union.

This summer the Soviet Union will apparently give both factions merely the apple core. The individual attending the Taistoite congress is a Soviet politician of a considerably lower rank than the one who came in 1984 when the factions held a joint congress.

Additional branches have sprouted within the Taistoite and Aalto factions. The "axing line" or the "rebellion line", which demanded the expulsion of the Taistoites from the party, advanced in the North in the 1970s. A "third line" appeared among young intellectuals in the 1970s, and a Taistoite faction called the "kainusites", who support the formation of a new party, have had an influence in Uusimaa for a long time.

"But always when it was extremely difficult/we were, however, we, he, and I/only he and I," Sinsalo and Aalto can whisper in the words of Marta Tikkanen's love story.

What Now

The reform capacity of the parties is being measured at the 21st congresses in Dipoli and the Cultural House. In the opinion of the witness, the moments of truth will be in the next parliamentary elections 4 years from now.

The Taistoites have conducted a debate inspired by glasnost in TIEDONANTAJA, but the party document continues to forcefully emit the practised resentment of an embittered divorced couple.

The most recent subject of dispute is presidential candidate Kalevi Kivisto, whom Aalto's faction has taken as its own. Aalto's supporters are now waiting with their tongues hanging out to see how many Taistoite will desert presidential candidate Jouko Kajanoja's ship and board Aalto's ship.

In the opinion of the witness, the disputes will not end before the leaders change in both parties at all levels. This is not in sight.

"The district level bosses and the intermediate level officials hold a lot of power, it is the intermediate level which is the stump in Gorbachev's clearing or an impediment to his reforms. Youth should have a positive desire for power. It is a waste of time to appeal to the better self of certain older leaders and others holding the reins, they will not step aside except for illness. I do not believe in an explosion of consciousness at that age," says the witness.

Difficulty Selecting Candidate

Helsinki HELSINGIN SANOMAT in Finnish 8 Jun 87 p 13

[Article: "Presidential Candidate Jouko Kajanoja Not Acceptable to All Taistoites"]

[Text] The dissatisfaction with the nomination of Jouko Kajanoja as a presidential candidate, which died down on Saturday, burst into a flaming dispute on Sunday at the congress of expelled Taistoite Communists in Espoo's Dipoli. The delegates to the congress proposed Kalevi Kivisto, Esko-Juhani Tennila, and Ensio Laine as presidential candidates in addition to Kajanoja.

However, the majority of Taistoites supported Kajanoja's nomination as candidate. The Taistoite election party, the Democratic Alternative, Deva, will decide on a presidential candidate next Saturday.

Those participating in the meeting criticized the party leadership for the fact that a sufficiently broad discussion had not been held on the selection of Kajanoja.

Tapani Risku from the Lapland District complained that on Friday Chairman Taisto Sinisalo labeled Kalevi Kivisto as an unsuitable presidential candidate from the point of view of foreign policy.

"We have wielded the labelling axe before and it has struck one's own foot in an unfortunate manner."

Also Matti Viialainen from Helsinki presented the possibility that Deva would place its electoral college members behind Kivisto. "And if we are to have

our own candidate, I am of the opinion that Esko-Juhani Tennila will take his own groups with him."

The Taistoites from Vantaa proposed Ensio Laine as a presidential candidate.

Desire to Reject Cooperation

Taisto Sinisalo's answer to the meeting was that "it is not a consideration that some delegation of Deva will perform campaign work for Kivisto".

Sinisalo later told the press that the proposal to nominate Kajanoja as a presidential candidate was made public prior to the congress since "the idea of cooperation would have otherwise acquired an excessively important position at the meeting".

Sinisalo justified Kajanoja's quick nomination as candidate by the hurried schedule: "The presidential elections remained in the shadow of the parliamentary elections."

Sinisalo, however, stated that the party does not intend impose any penalties or restrictions on those Taistoites who intend to support Kivisto: "Indeed, Deva includes organizations which are members of the SKDL, the Socialist Student Organization, for example."

There Was To Be a Vote on New Party

The old dispute on the formation of a new party also raised its head in Sunday's debate.

Uusimaa District's Hannu Harju proposed a change in the clause of the document which stipulates that the Central Committee will not decide on the formation of a new communist party unless the continuation of independent activities requires registration and a name change. Harju was of the opinion that the formation of a party would be deliberated in any event.

Harju's proposal was seconded, but it was not brought to a vote since approximately 20 delegates walked out in protest.

Sinisalo Continues As Chairman

The congress elected only 10 new members to the 50-member "Central Committee of SKP Organizations". There are now 11 women, which is three more than before. Nine of the 15 deputy members are new.

Taisto Sinisalo will continue as chairman of the Taistoite SKP and Jouko Kajanoja will be general secretary. Yrjo Hakanen will continue as vice chairman and Marja-Liisa Loyttyjarvi will be a new vice chairman.

MP Esko-Juhani Tennila was proposed as a new member of the Policy Committee [Politburo], but he refused. According to Sinisalo, his work and the long distances in Lapland were the reasons.

Ties Sought with Those Holding Power

An animated discussion on those documents in which the new operational policies of the Taistoites are outlined was conducted at the congress.

The Taistoite Communists intend to make a forceful contribution to work on behalf of peace and to the support of Soviet disarmament initiatives. On the other hand, they will struggle against Finland's political direction known as the neo-right wing trend and will seek ties with mass movements, the holders of power, for example.

Delegations from 18 countries, 300 observers, and 300 delegates participated in the "21st Congress of the SKP (Unity).

In a week, Arvo Aalto's official SKP will hold its own 21st Congress in Helsinki's Cultural House.

A large celebration, in which more than 3,000 people participated, concluded the Taistoite congress in Helsinki's Ice Arena.

Congress Indicates Continuing Fight

Helsinki HELSINGIN SANOMAT in Finnish 9 Jun 87 p 12

[Editorial: "Taistoites Have Three Policy Lines"]

[Text] The Taistoites, who have been expelled from the Communist Party, demonstrated over the weekend that policy disputes have not come to an end even though Arvo Aalto and Taisto Sinisalo are able to arrange their very own party congresses. The Taistoites wrangled over the party's registration, their attitude toward Kalevi Kivisto, and Jouko Kajanoja's presidential candidacy. It has been difficult for outsiders to understand the Taistoite logic. Even the last hope was probably dashed at this meeting. The Taistoites are living an increasingly isolated life. The new winds from the CPSU are not in evidence in their actions.

Chairman Sinisalo announced that the Taistoites are striving to unite Communist forces. They also want to assemble left-wing and progressive forces to oppose the neo-right-wing trend. In practice their actions are different than their words. They are currently making arrangements for their own youth organization and a "Sirola Institute". Their organizational machinery is nothing more than a copy of the SKDL/SKP organizational network. Does not the existence of two competing organizational structures expand rather than narrow the gap between them?

Making Kivisto's foreign policy capability questionable also says more about Sinisalo's desire to invent pretexts for feuding than about a desire to cooperate. The Taistoite members of the electoral college voted for Kivisto as president in 1982. Now it is completely impossible even to consider him as a candidate.

The Taistoite party is being led by Sinisalo's faction, which continues to derive its power from the party dispute. The radical Kainusites are also part of the picture. It is, however, significant that the trend which idealizes the Soviet Union's reforms and openness clearly raised its head. It wants out of the old trenches and feels a sincere attraction to SKP unity. Esko-Juhani Tennila is establishing himself as the leader of this faction, which is primarily comprised of youth.

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SDP CONGRESS VOTES NEW PROGRAM, LEADERSHIP

Sorsa Blames Vayrynen

Helsinki HELSINGIN SANOMAT in Finnish 5 Jun 87 p 11

[Article by Juha Akkanen, Unto Hamalainen, Anneli Sundberg: "Kalevi Sorsa Accused Paavo Vayrynen of Unscrupulous Politics"]

[Text] SDP Chairman Kalevi Sorsa is placing blame on the Center Party for the end to red earth cooperation. In the keynote speech of the congress Sorsa concentrated on beating the Center Party and Chairman Paavo Vayrynen.

Sorsa treated its new ruling partner, the Conservative Party, with a rather gentle hand.

"Red-black government cooperation is, however, more difficult to predict than red earth cooperation. The SDP and the Center Party knew each other over a long period of time. Even until the last few years they pretty much knew what kind of difficulties to expect from the other," said Sorsa in comparing the new and old ruling partners.

"Now the SDP and the Conservative Party much learn this same lesson through experience. It will not be a mere stroll down the primrose path, indeed, there will be some tough sledding," predicted Sorsa.

According to Sorsa's calculations, the disintegration of red earth cooperation has been progressing for the last couple years. Sorsa accused the Center Party of fishing for short-sighted political interests in farm policy, the management of employment, and in questions important to wage earners.

"It was fundamentally a question of the fact that Center Party's attempts to reform along with social changes remained mere words," said Sorsa in sizing up the Center Party's policies.

"Vayrynen Pulled Party to the Right"

Sorsa even found much good from the SDP's and Center Party's long-term cooperation. The present affluent society was built on this cooperation.

The end to red earth cooperation began to loom on the horizon a year ago when Chairman Paavo Vayrynen declared his goal to be a reduction of the SDP's influence at a meeting of the Center Party council.

"After this speech, the Center Party leadership presented important political and economic questions to the nation as an instrument of naked power politics," recalled Sorsa.

Vayrynen's politics were so unscrupulous that no one was any longer surprised by the recently disclosed agreements among bourgeois leaders, thought Sorsa.

Sorsa even called the bourgeois agreements a machination of the Center Party. Sorsa did not say a word about the role of the present ruling partners, the Conservative Party's Ilkka Suominen and the Swedish People's Party's Christoffer Taxell, in the agreements.

Sorsa was dissatisfied with the results of the parliamentary elections. The SDP did not lose to the other parties, but it lost a hundred thousand supporters to the non-voters.

In retrospect Sorsa found shortcomings in the election campaign. The family allowance initiative invented by Party Secretary Erkki Liikanen in the final stretch of the campaign, in which it was proposed that this allowance be tripled, failed.

"Our family allowance initiative, which was justified in all respects, came too late to be credible and came -- for reasons independent of us -- to excessively dominate the public's impression of our election goals," surmised Sorsa.

Government Program Came About Quickly

Sorsa depicted the government negotiations with the Conservatives as being quick. The government program corresponds with the most important goals of the SDP.

Sorsa called the building of the government's budgetary policy, the solution of labor market problems, and tax reform the acid test of the new cooperation.

Sorsa drew a clear line in the direction of the right in economic policy. He condemned the fashionable casino economy as profit seeking and speculation. Society must be defended against the plunder of the speculators, demanded Sorsa.

In the opening speech of the last congress of his long career as chairman, Sorsa placed the Helsinki congress in the category of the SDP's great congresses, which were previously held in Turku in 1899, Forssa in 1903, and Helsinki in 1952.

Bruno Kreisky, the veteran leader of the Austrian Social Democratic Party, who brought greetings of foreign guests to the congress, also spoke at the opening ceremonies. The former chancellor of Austria and party leader also praised Kalevi Sorsa's work in the Socialist International.

There are 30 foreign guests attending the congress from member parties of the Socialist International and liberation organizations of the developing countries.

Attending the congress are, among others, representatives of the ANC, the South African liberation movement, the PLO, and Namibia's Swapo. The Soviet Communist Party is being represented by Yuri Zhilin, the leader of the expert group in the international section of the Central Committee.

Left Wing Resisted

Several old opponents of Kalevi Sorsa irritated the chairman already at the beginning of the meeting.

The left wing's Jorma Bergholm and Liisa Jaakonsaari criticized the committee selections made by the party leadership.

In Bergholm's opinion, the procedural committee preparing personnel selections should not have to make any proposals at all to the congress regarding new leaders. Bergholm thought that the congress can manage independently without preparatory proposals to determine selections.

Jaakonsaari complained about the excessively small role that women play in the committees. The left wing even submitted one proposal for a test vote, but it received only a handful supporting votes.

MP: Party Is Dinosaur

Helsinki HELSINGIN SANOMAT in Finnish 5 Jun 87 p 11

[Article by Juha Akkanen, Unto Hamalainen, and Anneli Sundberg: "Left Wing Indignant"]

[Text] The Social Democrats' left wing dominated Thursday's general political debate at the congress, and its overall tone was critical.

The debate held prior to the congress on the position of the regent, the party, and populist movements was repeated at the Workers' House. The changing of ruling partners from the Center Party to the Conservative Party also elicited the opinions of several delegates.

The flow of words by the dissatisfied was initiated by Helsinki's Assistant City Manager Erkki Tuomioja, who criticized the turn to the right in the party.

"The change in economic policy has made Finland one of Europe's most capitalist countries, whose government policy is directed by a social democracy that is one of the most right-wing in our part of the world," accused Tuomioja.

Tuomioja also criticized the party for "naked power politics and corrupting party democracy".

SDP Is A Dinosaur

MP Liisa Jaakonsaari compared the party to a dinosaur.

"Are the Social Democrats such political dinosaurs that they will disappear along with the smokestacks in the evolution of politics because they are too slow and clumsy? Even we ourselves partly believe this," suspected Jaakonsaari.

Jaakonsaari demanded that the Social Democrats take the initiative away from the right particularly in economic policy.

Raimo Mahonen from Mikkeli District called for a political-moral backbone. "Unfortunately, the acronym sd has sometimes been connected with the names of individuals which have been made public in the hunt for offenders," pointed out Mahonen.

"In more flagrant incidents there is reason to give serious consideration to either a final or temporary expulsion of such an individual from the party regardless of whom he may be," demanded Mahonen.

Red-Black Is Lasting

Professor Risto Sankiaho from Tampere believes that the red-black government is here to stay.

Ruling partners should not be condemned in advance in his opinion.

"Perhaps now the two largest wage earner parties have, in fact, found each other and a transition can be made to real reform in the labor markets," hoped Sankiaho.

This cannot, however, mean an ideological integration in Sankiaho's opinion, but the party's image must be made sharper than before.

In addition, Sankiaho demanded that the attitude toward the Conservative Party should be rational and it should be remembered that the Conservative Party's constituency and perhaps its policies along with it have changed a lot in 20 years.

Juhani Mallinen from Oulu was not as hopeful as Sankiaho with respect to the Conservative Party. He was more concerned about retaining public services.

"At this time we are in government cooperation with quarters in whose goals there has appeared a desire to dismantle and commercialize services while, on the other hand, our aspiration is to improve and increase services as public services," demanded Mallinen.

Delegates to the Social Democratic Party congress will debate the party's new program of principles on Friday. The intent is to adopt it on Saturday.

New Leadership Elected

Helsinki HELSINGIN SANOMAT in Finnish 6 Jun 87 p 11

[Article by Juha Akkanen, Unto Hamalainen, and Anneli Sundberg: "Kalevi Sorsa Advised Successor Pertti Paasio"]

[Text] On Friday, former Chairman Kalevi Sorsa of the Social Democratic Party warned his successor, Pertti Paasio, of the loneliness in which a party leader is forced to function. Sorsa urged Paasio to use the new chairman's gavel decisively.

Personnel selections dominated the Social Democratic Party congress on Friday in Helsinki. The Social Democrats had only 2 months in which to prepare for them since Kalevi Sorsa, who has led the party since 1975, did not announce his intended resignation until after the disastrous parliamentary elections. Before that, the Social Democrats thought that they still had 3 years before having to find a new leader. Since Party Secretary Erkki Liikanen also confirmed his decision to leave, the Social Democrats found themselves short of time.

A new leadership was finally found at the congress after a heated debate that lasted all day and night.

The procedural committee fought long and hard to find a unanimous proposal for the composition of a new leadership, but it was not found. There were two candidates for party secretary until the very end.

The procedural committee unanimously proposed Parliamentary Group Chairman Pertti Paasio as party chairman, Speaker of Parliament Matti Ahde as vice chairman, and MP Pirjo Ala-Kapee as second vice chairman. Among the candidate for party secretary, Ulpu Iivari had the majority behind him in the procedural committee, but Paavo Lipponen's support was also sufficiently strong enough that both candidates were presented to the congress.

Even the choice of chairman was not accomplished without an election. The Social Democratic women wanted to show that there are alternatives. MP Liisa Jaakonsaari proposed Vappu Taipale as party leader. Merja Hurri and Tuula Haatainen from Helsinki supported this move. Thus the congress was forced to vote on a party leader. The Social Democratic women said in advance that if they get more than 20 votes, this will be a victory.

Pertti Paasio received 272 votes and Vappu Taipale received 62.

The result received an enthusiastic reception in the assembly hall. After the applause died down, the resigning Chairman Kalevi Sorsa delivered a speech to his successor, in which he pointed out that in Pertti Paasio's father's time he himself had placed him on the path onto which Pertti Paasio is now stepping.

"I am paying for potatoes with potatoes," stated Sorsa while making the audience laugh.

In a verbal testament to his successor Sorsa stated that everyone grows along with his job according to his own model and measure.

Sorsa said that politics taught him how to listen. He noted that listening is not passive if one seeks out an idea from a conversation with another person and does not just wait for one's own turn to speak.

Sorsa reminded Paasio of the corrupt side of people by pointing out that people will generally promote their own interests in addition to ideology.

"An ideology is no Holy Spirit. It become flesh only through people.

"It is an impossible task," Sorsa told Paasio, "to build party unity from people's dissimilarities."

There is power is unity, emphasized Sorsa. At the same time, he warned his successor about loneliness, which is the lot of a party leader. There is no one behind a party leader, noted Sorsa, only programs, a gavel, and responsibility.

"We hope that you will use your gavel decisively since no one else will do it.

"You cannot nor will you be able to skate by since the Social Democratic Party will not evade responsibility."

In conclusion Sorsa presented Paasio with a Chinese graphic art work, in which a lone man is carrying a heavy load and there is a dog at his heels.

Paasio thanked the delegates and Sorsa and gave the assurance that he will do his best for the party as red flags waved.

Paasio did not want to believe that the Social Democratic Party is aging, but he painted a bright future for the delegates. According to Paasio, the party will exceed the 30-percent vote limit, but will not even stop there.

The changing of the guard from Sorsa to Paasio took place so smoothly that the new chairman did not even have a chance to finish his speech before Sorsa had already left the hall to join invited guests out in the gallery.

There was no need to vote on the party's vice chairmen at the congress. Matti Ahde retained his post and Pirjo Ala-Kapee will replace Governor Pirkko

Tyolajarvi. The selection of both of them remained in the shadow of the chairman and party secretary elections.

Tuomioja Supported Lipponen

There was a short round of discussion, which began when left-wing candidate Jukka Gustafsson gave up the game, before the elections for party secretary. Paasio had announced in the procedural committee on the previous night already that Iivari and Lipponen will run for party secretary. Paasio placed Iivari in front of Lipponen.

Gustafsson's decision to quit freed his genuine left-wing supporters to throw themselves behind Paavo Lipponen. Lipponen, who was labelled a right-wing Social Democrat in the heat of the elections, received support from left-wing delegates Erkki Tuomioja and Raimo Vayrynen. Arja Alho, who had also pushed for a woman candidate, declared herself a Lipponen supporter.

In Alho's opinion, Lipponen had openly placed his fate at stake in the party secretary elections. Lipponen had conducted a campaign for several weeks, Iivari's candidacy was made public on the opening day of the congress. Only speech was delivered on Iivari's behalf in the debate.

In the vote, Ulpu Iivari received 184 votes and Paavo Lipponen 155. It was calculated that the power relationships were even before the final vote. After Gustafsson pulled out, it was considered that Lipponen's position would improve, but the left wing did not follow Tuomioja and throw itself behind Lipponen in the vote.

In his speech to express his gratitude Ulpu Iivari answered Arja Alho and pointed out that he has put his political life at stake as a party worker for more than 10 years.

Paavo Lipponen thanked his supporters and made special mention of the support from the left wing. In praising the wisdom of the old party leadership, Lipponen recalled what Kalevi Sorsa had once said to him: "Do not become a candidate for party secretary".

On Friday evening, the congress chose Risto Tuominen to continue as chairman of the party council. The party committee and the party council will be elected on Saturday.

The newly elected party leadership, which does not include a single minister, gave the assurance in its first joint press conference that it is behind the government. Paasio noted that the SDP had previously criticized the Center Party for simultaneously sitting in the government and in opposition. The SDP cannot behave in the same manner.

Paasio also boasted that the attitude of the media toward politics has improved in recent years. Indeed, Paasio recently objected to an article in SUOMENMAA, the chief organ of the Center Party, but according to Paasio the

Center Party's primary newspaper has such little influence that it is not worth quoting.

Liikanen Remains Party Secretary

Helsinki HELSINGIN SANOMAT in Finnish 6 Jun 87 p 11

[Article: "Erkki Liikanen Remains in Party Leadership"]

[Text] Erkki Liikanen, the SDP's former party secretary, retained his post in the party committee, which directs the party's practical work.

The congress elected nine members to the party committee in addition to the party's chairmen and party secretary late Friday evening. The party committee's new members are Kaj Barlund from the Swedish Workers' Union, Paavo Lipponen from Helsinki, Jarmo Rantanen from Tampere, Pekka Ruotsalainen from Joutseno, Pentti Sahi from Jyvaskyla, Per-Erik Lundh from Helsinki, Ulla Turkki from Satakunta, and Arpo Heinonen from Etela-Hame.

Tuulikki Hamalainen from Uusimaa, Matti Puhakka from Joensuu, Markus Aaltonen from Seinajoki, Armas Lahoniitty from Varsinais Suomi, Raija Niemi from Etela-Hame, and Irma Peiponen from Kuopio became deputy members.

Paasio Addresses Congress

Helsinki HELSINGIN SANOMAT in Finnish 8 Jun 87 p 10

[Article: "Pertti Paasio Warned Against Pitfalls in Government"]

[Text] Pertti Paasio, the new chairman of the Social Democratic Party, warned ruling partners and employers on Sunday against impeding reform in the labor market. In his maiden speech, Paasio accused employers of bull-headed politicking against labor market reforms.

Paasio outlined the party's new policy line and the pitfalls of government cooperation at the concluding ceremonies of the congress in Helsinki's Silta-saari.

Paasio did not want forecast unnecessary difficulties for the government, but he explained what the Social Democratic Party wants from its ruling partners.

Paasio expects from the Conservative Party a stimulating address on the privatization of social services that will clarify the atmosphere.

"We have opposed and will continue to oppose pressure to transfer social services to the sphere of private enterprise. The protection and development of municipal and organizational services under democratic supervision are the central demands of the SDP. Even this question may become a barometer of government cooperation."

Paasio defined the modernization of the rules in the labor market as one of the most important points of government cooperation.

"We must crush the bull-headed politicking of Finnish employers against these basic human values."

Autumn Will Be Decisive

Paasio emphasized that the government program gives cause to expect genuine advancement for reforming the labor market.

"Next fall will bring with it an answer to the question on the realistic nature of the program. Without seeing the reasons for difficulties, we want to emphasize the importance of implementing the rights of traditional workers as well as white-collar workers in Social Democratic goals for the near future."

Paasio described the new leadership's policy line by pointing out that personnel changes will always, to some degree, mean a new look and tone.

"Different backgrounds, areas of experience, personalities, and even the timing will always bring with them new points of emphasis, perhaps even demarcations. Such development does not, however, mean a rejection of the former. It is only a question of taking the message further down the road."

Already during Kalevi Sorsa's and Erkki Liikanen's term the party conducted an animated debate on whether it is excessively identified with the state and whether the party has become only a messenger of the government and its policies. Sorsa was also prime minister in addition to SDP chairman. Now the Social Democrats do not hold the prime minister's post, but government responsibility has been retained.

Paasio stated that allegations of being caretaker party and of alienation from the people can be easily ignored.

State Machinery Cannot Determine

"It is clear that a political party, especially a large one that has no government responsibility, cannot completely divorce itself from the state machinery. A party cannot be any kind of a social hobby organization. A party is an organization which has set goals for itself and society, goals which it will attempt to accomplish through the state machinery. A party cannot and must not, however, be a part of the state machinery.

"In order to eliminate the caretaker image, we have developed, among other things, a definition by which a party must place itself between the state machinery and the people's masses as an intermediary of the people's will.

"What do we, in fact, mean," Paasio asked and answered:

"It is essential to find an answer to the question at this time: where and how does a party's policy come about? A correct answer must be found from

the principle that the Social Democratic people's movement promotes the cause of the people with the authority given by the people through and by means of the state machinery, but not under the conditions of the state machinery. Major reforms must be created and ripened within a movement's own sphere, on the basis of the principles it has adopted. The organizational field of the Social Democrats cannot just be an a reception apparatus and smelter for solutions born as an obligation."

SDP Wants Real Heroes

The morning of the final day of the 34th Congress of the Social Democratic Party was urgent for the delegates. The decisions had to be made in good time before the Social Democrats marched out to Tokoinranta hear Paasio's message.

In the meantime, the young people and members of the left wing celebrated in the assembly hall while the average Social Democrats enjoyed their morning coffee in the company of the leaders of the Hakaniemi Trade Union. The new party leadership came out of the numerous votes almost with a fright. For the most part, changes remained within reasonable limits.

The Social Democrats were horrified by the kind of examples that were being offered to youth in the domestic policy resolution.

"The raising of economic predators as heroes of our times must be prevented," vow the Social Democrats.

They disapprove of the short-sighted profit seekers, speculators, aspirants, and swindlers moving around the structural changes of the economy.

"They want to wrench for themselves the income of the long-term work of others by terminations violating basic labor rights, the theft of securities, attorney's intrigues, and the plunder of one night," complain the Social Democrats.

A Sabbatical Year for Everyone

The Social Democrats are assuming that the conditions for enterprise cooperation funds will be created by law in the demands to reform to the labor markets.

In the opinion of the Social Democrats, in the threat of mass terminations cooperative measures by which opportunities for continuing actions as well as retraining or reassigning workers as a primary alternative will be studied should be implemented.

The Social Democrats presume that a funding system by which the economic losses of workers will be compensated will be created to guarantee the re-assignment and retraining of workers.

The Social Democrats want to reduce the work week to 35 hours. In addition, they want to give every wage earner a sabbatical year. There was no mention of a timetable or funding.

The Social Democrats had nothing new to say about taxation; tax relief for low- and medium-income people must not be negated by increases in the sales tax. Normal savings accounts must not be taxed. Farming losses should not be deducted from wage and forest incomes.

Presidential Elections To Be Reformed

The Social Democrats are demanding that the method of electing a president be reformed in to a direct, two-phase popular election and that regulations be revised so that parliament's position will be emphasized. The president's right to disband parliament will be limited and the relationship between the president and the Council of State will be clarified.

No new nuclear power plants can be built or planned in Finland in the opinion of the Social Democrats. They also want to clarify what the prerequisites will be for the gradual elimination of nuclear power.

The Social Democrats want to gradually reduce export subsidies for agricultural products and finally eliminate them completely. They want to use the savings for developing rural living conditions. The congress wanted to make farm price supports applicable to the type of crop and to clarify the effect of agricultural monopolies on the prices of products.

The family allowance proposal, which turned out to be a poor election gambit for the Social Democrats in the last parliamentary elections, must now be accomplished by a decision of the congress. The congress stipulated that the family allowance will be tripled by the year 1991. The funding would be accomplished by an elimination of household tax deductions.

The Social Democrats also want to develop health centers with a private physician system.

Cooperative partners are not divided into goats and lambs in the domestic policy resolution. The Social Democrats want the broad cooperation of the political parties.

Weapons Will Not Be Exported

An attempt was made to persuade the congress to approve weapons exports to neutral countries, but the delegates remembered all too well how weapons have been transported from neutral countries such as Sweden to war zones. There was not even a desire to open up export channels for the purpose of developing Finnish weapons. A decision was made after a test vote that no weapons will be exported.

The congress also had a desire to cut off all relations with South Africa, but Finance Minister Erkki Liikanen, who appeared as a foreign policy

expert, succeeded in preventing this plan. A vote on the issue approved a stance according to which the government is to pressure South Africa by threatening to reduce relations and close its mission.

The party was kind to men in civilian service thanks to morning coffee session of the trade union movement. By a vote of 145—117 a stance was approved by which the length of civilian service will be gradually reduced to the level of recruits. The committee had proposed that the length of service be reduced from 16 months to 14 months.

New Program Easily Adopted

Helsinki HELSINGIN SANOMAT in Finnish 8 Jun 87 p 10

[Article: "New Program for SDP"]

[Text] The Social Democratic Party congress unanimously approved a new program, which is the third program in the history of the party. The previous program was approved in 1952.

The SDP declares itself to be a supporter of democratic socialism as in the previous manner. There is no ready-made ideal society, but as in the manner of the previous programs the SDP says that it is a reform party, which wants to see the gradual growth of the role of the state and the municipalities at the expense of private ownership.

In deciding on common issues, the SDP obligates itself to support a system in which there are free elections and several parties.

The congress decided that the new program will be abridged and reprinted in a popular edition, in which there will be a short enumeration of the most important goals. Those attending the congress demanded that this edition contain an explanation of the official program language.

The preparation of the new program took 6 years. The final draft was completed by the program committee, which was adopted with only a couple of minor revisions.

In its own proposal the program committee came up against the party's left wing, which had criticized earlier program proposals and had compiled its own shadow program for the congress. The program adopted by the congress also contains points from the shadow program. Its influence is seen especially in the program's environmental section and in points dealing with international cooperation.

The congress also sharpened several program proposal points prepared by the party leadership. The reduction of the power of the banks is addressed in old socialist terms in the adopted program. An attempt was made in the leadership's proposal to use the more tactful committee language, in which the word socialism would have been replaced with other terms.

Armas Lahoniitty, who acted as chairman of the program committee, depicted the program to be "at least as socialist as the 1952 program". Pertti Hynynen, an expert member of the program committee, calculated the number of times the word socialism appears in the adopted program.

According to Hynynen's calculations, the adopted program is "30 percent less socialist than the 1952 program, but 50 percent more socialist than the proposal made to the congress by the leadership".

According to the program, individuals and society may own the means of production in an equal manner. Economic resources will be put into best use by means of the markets, but the markets must also be directed by the hand of society so that monopoly enterprises will not be created and the environment will not be damaged.

The threat of nationalization continues to hover over the banks and insurance companies. "Society must direct the operations of the banks and insurance companies and place them under its control as the public interest demands," states the program.

The party continues to support the expansion of state-run enterprises. "State-run enterprises are an important part of Finland's economic system. The state must develop and, if necessary, expand enterprise activities by placing enterprises under the control of society."

The SDP also wants definite changes in the internal management of enterprises. "In addition to traditional trade union activities, workers must be given a greater voice in the management of enterprises. Employers must be made to reach agreements with trade union sections and personnel groups on significant changes in production and working conditions, investments, and training."

Enterprise Funds Will Increase Democracy

The establishment of funds controlled by workers is also demanded in the program. In the program it is believed that the autonomy of workers will increase their responsibility and initiative on the job and will disperse economic power.

There was no mention of the funds in the party leadership's proposal, but the same issue was depicted as "capital reserves". No sense could be made of this unsuitable terminology for daily language according to the feedback coming from the rank and file.

The Social Democratic Party continues to believe in a strong state. "Public power is more equal than economic power," it is said in the program, but in the spirit of the new age the assurance is made that a strong state is not a goal in itself for the Social Democrats. It is only a means for rectifying the faults of capitalism.

The state can be best controlled by the present form of democracy in the opinion of the SDP. "Social democracy is tied to political democracy and it will strive to develop its content on the basis of progressiveness, parliamentarianism, and a multi-party system," promises the program.

The SDP is hanging on to the old traditional full employment goal. Everyone must be guaranteed the right to work. Jobs other than traditional wage work are considered as work.

"The concept of work must be expanded to include various forms self-fulfillment, public service, and the building of society. A flexible income security is needed for this. People must be guaranteed economic and social security in all phases of life."

Knowledge Is Part of Power Struggle

Many pages are devoted to the importance of knowledge and know-how in the new program. It is demanded that all people be given an opportunity to enjoy the fruits of the tree of knowledge. It is suspected that knowledge is being divided unequally so that people must be guaranteed an opportunity for a lifetime education.

According to the SDP's assessment, knowledge does not just have a civilizing effect on people. It is also part of the use of power. "The struggle for education and knowledge is a struggle for social power," states the program without mincing any words.

The struggle for knowledge also comes up in the program's point in which the SDP's internal life is discussed. In an information society, the media weakened relations between the party and its supporters.

"A living tie with people's everyday life, different popular movements, and other mass organizations presuppose an openness and reform capacity of the Social Democratic movement. As public life, the media, and political changes weaken these ties, the party will create counterforces by strengthening internal democracy and by increasing the opportunities of its membership to influence affairs," believes the SDP.

The party demands irreproachability of its members in common affairs. Actions must be in harmony with the ideals of the movement. Social democracy can be accomplished by various means. Members may have different religious, philosophical, and other points of view on life.

Civilian and Armed Service Equal

A world free of weapons is demanded in the peace policy section. Nuclear weapons must be banned and destroyed. In addition to its disarmament initiatives, it is also demanded Finland reduce its own armaments.

A mention of civilian service was also included in the final draft of the program. "Armed service and civilian service must be developed equally as a form of national service for the purpose of securing peace."

The international cooperation of the trade union movement and social democratic parties must be developed as a counterforce to the power of supranational corporations.

It is demanded that society should be given greater sway in limiting the exploitation of the environment in the chapter entitled "In Harmony With Nature". The program also approves restraints in economic growth when this is necessary for the purpose of conserving natural resources.

'Credibility' New Watchword

Helsinki HELSINGIN SANOMAT in Finnish 8 Jun 87 p 10

[Article by Anneli Sundberg: "Seeking Credibility"]

[Text] "Credibility," is the unhesitating answer given by new Social Democratic Party Secretary Ulpu Iivari to the question, what is his worst problem in the new job. "There must be a struggle on behalf of this."

Ulpu Iivari and Chairman Pertti Paasio will begin their jobs under tough conditions since they will be surrounded by strong men and dashed hopes. Matti Ahde and Erkki Liikanen, who consider that the time is not yet ripe for their chairmanship, will be sitting in Paasio's party committee. The committee will also include both defeated party secretarial candidates, Pekka Ruotsalainen, who yielded to Ulpu Iivari this time, and Paavo Lipponen, along with whom many of those who voted for Iivari now look nostalgically and wonder if they made the right decision. The party committee also includes Interior Minister Jarmo Rantanen, who approached many as a candidate to the chairmanship prior to the congress.

It was considered a great danger that Ulpu Iivari will become an errand boy for the strong men during the period that they make preparations for the next congress and its elections.

Iivari admits that the party committee is so strong that his position will not necessarily guarantee the prestige that belongs to a party secretary.

Iivari's chin is, however, stubbornly pushed forward.

"In any event, I intend to assume the power which belongs to a party secretary."

Erkki Liikanen, who has managed Social Democratic Party policy somewhat arbitrarily in recent years, was helped to get a good start in his career by the fact that the then strong Chairman Kalevi Sorsa put everything else in order. Sorsa announced that he is the number one man and Liikanen is the number two man and all others, for example, the party's vice chairmen come after them.

It does not appear that Ulpu Iivari has any new means any more than Pertti Paasio does in reserve for increasing party support, expanding the world image of social democracy among youth, and for resolving the problem of how the Social Democrats can divest themselves of the caretaker reputation. This came about primarily during Prime Minister Kalevi Sorsa's ruling years and became identified with him to considerable degree.

The new leadership is not in the government at all and it can if it wants -- and if strong ministers permit it -- accomplish its own original policy. An attempt can be made to sit in two chairs, in the government and in opposition, at least for a while. The Rural Party succeeded in doing this.

Labor market reform, which means an increase in the power and protection of workers -- at least the power and protection of the trade unions -- will be raised by Ulpu Iivari as the new battle cry, which he believes will inspire the Social Democrats.

In his maiden speech on Saturday Ulpu Iivari called on present and future members of the party to eliminate the remnants of paternalism from the path of full citizenship.

The same tone was evident in Chairman Paasio policy speech on the following day.

Both of them hinted that not an inch will be given up to capital in the labor market reform; the Conservative Party can decide whether it will give in to the Social Democrats or to the employers. The dissolution of the government may, however, seem less enticing because of labor market reforms in the fall rains than in the warmth of summer.

Paper on Congress Results

Helsinki HELSINGIN SANOMAT in Finnish 9 Jun 87 p 2

[Editorial: "SDP Seeking New Image"]

[Text] The Social Democratic Party congress went well in a surprisingly harmonious manner in spite of its recent election defeat and government solutions dividing the rank and file. Differences were evened out by a broad unanimity on the fact that the SDP must attempt to divest itself of the caretaker role, which turned out to be a burden during Kalevi Sorsa's term. Several notations demanded by the left wing were included in the final draft of the party's new program.

The fundamental condition for this divestment was Sorsa's and Party Secretary Erkki Liikanen's withdrawal from party leadership tasks. The change of guard to Pertti Paasio and Ulpu Iivari is such a drastic change that talk about seeking a new image is easy to take seriously. The primary task of the new leadership is to concentrate efforts on the party's internal situation. The objective is to restore ties with youth and those former hundred thousand supporters, who did not vote in the spring parliamentary elections.

It is believed that the fault, above all, lies in the fact that the SDP was equated as part of the state machinery during Sorsa's long term in office. The party's stances came about with increasing prevalence through the state machinery as official tasks and increasingly less frequently through the Social Democratic Party's own channels.

The elimination of the caretaker image will not, however, be a simple matter. The SDP is even in the new government and holds some rather important ministerial portfolios. The difference is that the new party leadership is not included in the government. Sorsa as foreign minister and Liikanen as finance minister are striving to adopt a kind of professional ministerial role. Sorsa no longer has a formal position in the party's leadership organs. On the other hand, Liikanen was elected to the political committee as were two other party ministers.

Paasio admitted that the Social Democrats cannot occupy two chairs at the same time. It must either be in government or then out of it. It is now in, but it is no longer carrying the burden of caretaker by itself. At least this is the impression in the SDP.

Apparent internal tensions are hiding this this kind of a divided policy. Over a period of time, they can become a serious burden to the durability of the new government cooperation and to the SDP's internal unity.

Paasio's and Iivari's goal to secure a new image for the party certainly occupies a more important position than the protection of government cooperation. How well Paasio succeeds in holding his own against the party's powerful ministerial group will also depend on whether he will become more than just a transition chairman. Finance Minister Erkki Liikanen and Speaker of Parliament Matti Ahde have probably not given up completely on their own hopes, which we now dashed when Sorsa agreed to an earlier resignation after the election defeat.

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FOREIGN MINISTER VIEWS COUNTRY'S POLICIES ON NATO ROLE

Reykjavik MORGUNBLADID in Icelandic 10 Jun 87 pp B 2-B 3

[Op Ed Article by Foreign Minister Matthias A. Mathiesen: "Security at the Lowest Armament Level Possible"]

[Text] The NATO member states take turns in hosting the spring meetings of the North Atlantic Treaty Organization. The member states are 16 so it takes some time to make the round. The last meeting of this kind was held here in Reykjavik in the summer of 1968, or 19 years ago. At the opening ceremony of this meeting, the keynote speakers were [Icelandic] Prime Minister Bjarni Benediktsson, Willy Brandt, prime minister of West Germany and Manilo Brosio, executive director of NATO. It is quite interesting to read the speeches of these men now, in light of the developments that have taken place in the NATO member countries.

The NATO Meeting in Iceland 1968

Manilo Brosio spoke about the importance of Iceland for NATO and praised the three leaders of the Icelandic nation at the time Asgeir Asgeirsson, Bjarni Benediktsson and Emil Jonsson, as men of integrity who had earned solid reputations in the international arena. He particularly directed his words to Bjarni Benediktsson and said that he was proud to have the opportunity to pay homage to such a man. Brosio also emphasized the role of the Alliance in finding a permanent solution to European issues. Manilo Brosio said verbatim:

"The basis for our search for peace involves that we maintain our military power and political unity, because there is one thing that is of primary importance which we must all realize: as long as the Soviet Union maintains as extensive military strength and armament as has been demonstrated, and keeps adding to it constantly, there will be no permanent or just solution to the problems unless we allies show our will in actions by maintaining sufficient defenses and full unity among ourselves."

Willy Brandt mainly spoke about two issues: the division of Germany and issues concerning Berlin and about revolutionary spirit and restlessness that seemed prevalent among young people at that time. He thought that young people in East and West Europe had a common desire to want to prevent that the division of the continent would be allowed to stagnate and become fossilized,

and in light of that, he felt that the most recent measures taken by the Soviet Union, constructing the Berlin Wall, would not succeed. He said that NATO was the power that would be able to guard the road to just and permanent peace in Europe. The desire for freedom is a stronger power than creeds of the past.

Bjarni Benediktsson stressed the results from the work of NATO during the 20 years it has been in operation. He especially welcomed the increased cooperation and bilateral agreements between the United States and the Soviet Union and said that the welfare of us all depended on the cooperation possibilities between these two superpowers. Benediktsson said further that although it should not be said that NATO should remain forever, it would be absurd to abolish it or withdraw from it unless it would be replaced with another equally safe arrangement.

Modest optimism could be observed among these leaders concerning peace and the relaxation of tension in Europe. This optimism could also be observed in a declaration about the meeting where the Soviet Union was invited to discuss reduction in forces in Europe. Nonetheless, 5 years passed until such a discussion began in 1973. These talks (the MBFR-talks in Vienna) have been ongoing since then but without any results.

Military Power on the Offensive

Most likely, the three leaders, when giving their speeches on 24 June 1968, did not have an inkling that only two months later the Soviet Union would deploy its great military strength to strangle the Czechs' and the Slovaks' desire for freedom. Once again, the value of the solidarity of the NATO countries was proven.

The invasion into Czechoslovakia did not, however, prevent the NATO countries from trying their utmost to reach an agreement with the Soviet Union about a solution of matters in Europe. The next years following the Reykjavik meeting were in fact characterized by relaxation of tension due to the actions of the leaders of the superpowers at that time who began their talks on arms limitation, and the results achieved on various levels of multilateral talks of European states of which the Helsinki Accords, of course, rank the highest.

What decided this development was, without a doubt, the sincere desire of Western leaders to improve East-West relations. Unfortunately, it was to be proven more often than in Czechoslovakia that the same kind of desire was not to be found among leaders of the Warsaw Pact. At the same time that the NATO countries refrained from military buildup, a great buildup took place within all sectors of armament in the Soviet Union. It is timely to call to mind several main factors in order to explain the cooling East-West relations that began after the period of detente in the beginning of the seventies.

In 1977, the Soviets began the deployment of a new type of nuclear weapon, intermediate-range nuclear missiles of the SS-20 type. They also began a great offensive in the Third World countries, such as Ethiopia and Angola. This expansion policy reached its peak during the period between Christmas and New Year's in 1979 when a Soviet Army invaded Afghanistan. Finally, it

should be mentioned that in continuation of the Helsinki Accords, groups emerged in the Soviet Union and various other East European countries which wanted to ensure the implementation of the provisions of the accords in these countries. The activities of these groups was mercilessly quelled by the government authorities behind the iron curtain.

All this had a very bad effect on all East-West relations; other events occurred as well, such as when a South Korean civilian airliner was shot down in the fall of 1983, and when Polish authorities broke up the activities of free labor unions in the beginning of this decade.

Reaction of the Democratic States

The Atlantic Alliance objective in relaxation of tension and arms limitations was primarily to establish stability and balance at a lower level of armament than had previously existed. On the other hand, all the aforementioned events did not seem to show a comparable will of the Soviet Union and other Warsaw Pact countries, as talks and negotiations, whether it be in the field of nuclear weapons, conventional armament or human rights, did not deter them from further military buildup or speculation in the Third World.

The Soviet actions did, of course, call for a response on behalf of the states of the Atlantic Alliance. In 1979, NATO approved a West German resolution to renew and secure the nuclear defense of western states, but at the same time to invite the Warsaw Pact countries to enter talks about arms limitation. An offer was made to the Soviets to remove intermediate-range nuclear missiles in Europe and then the NATO countries would not deploy such missiles in their countries. As an agreement on this was not reached in the talks between the superpowers in Geneva, the United States began deployment of Pershing II and cruise missiles in Europe in order to make up for the Soviet advancements.

The reaction of the Soviet Union was to break off the talks between the superpowers in Geneva, both with regard to intermediate-range missiles (INF) and long-range nuclear (START) weapons. Instead of talks, the Soviet Union considerably increased its propaganda war in western mass media and the period of the famous "peace movements" began. On the other hand, when it became clear that the deployment of the missiles took place, the Soviets again entered talks in Geneva in the spring of 1985, after an absence of 2 years. They returned when they realized that the decision of the NATO countries from 1979 would not be budged. In the talks, which now have been ongoing for 2 years, three main areas of nuclear weapons are being dealt with, i.e., the intermediate-range weapons (INF) the long-range weapons (START) and the strategic defense initiative (SDI).

Now there is every indication that an agreement may be reached about dismantling of medium-range nuclear missiles in Europe, and that should be some food for thought for those who criticized the decision of NATO countries in 1979 to answer the Soviets with complete firmness and frankness. The dismantling of these arms is definitely in the spirit of the policy of the Atlantic Alliance to search for security and stability at the lowest armament level possible.

Summits

In his address at the spring meeting of the Atlantic Alliance in 1968, Bjarni Benediktsson made it a special issue to discuss the importance of meetings of the leaders of the superpowers in view of peace in the world. These meetings have acquired a new importance after Michail S. Gorbachev took over the position of General Secretary of the Soviet Communist Party. Such meetings did in fact not take place during the period 1979-1985 when the relations between the superpowers were at minimum. During the past 2 years, Gorbachev and Ronald Reagan, president of the United States, have had two important meetings. They first met in Geneva in November 1985 and then in Reykjavik in October last year.

Of these two meetings, the Reykjavik summit was definitely the more important, and it seems that an agreement was reached on medium-range nuclear missiles which now could become a reality, as well as a reduction by half of long-range nuclear missiles, which hopefully will be the next step in these talks between the superpowers. The distance seems greater regarding the position of the superpowers on SDI.

These talks between the leaders of the superpowers have affected people's positions and discussions on disarmament in the western world to a great extent. After the Reykjavik Summit, many people have in fact come to realize that an agreement on dismantling of medium-range missiles leaves the European states defenseless against the threat of conventional arms and chemical weapons. The Atlantic Alliance has reacted to that by proposals to the Soviets of new talks in Vienna which presumably would continue the MBFR-talks mentioned above. It is therefore not unlikely that a new "signal" will be sent out from Reykjavik at the spring meeting of the Atlantic Alliance later this week, in which the message is not unlike the messages that were sent out with the "signal from Reykjavik" in 1968.

Next Steps in the Disarmament Affairs

Now it is 20 years since the joint defense policy of the member states of the Atlantic Alliance was approved. This policy is identified with "flexible reaction." It presumes that a conceivable attack will be answered in a manner that is considered to suffice; however, this conceivable aggressor will never be able to know in advance what type of weapons will be used in a retaliation attack. He can therefore never know what consequences such an attack may have. This means that nuclear weapons have served a specific purpose in the defense policy of the Atlantic Alliance. All defense measures of the alliance, i.e., long-range nuclear weapons, intermediate-range and ICBM and conventional arms are one unit and must be viewed as such. A part of this unit is the military forces of the United States and Canada in Europe which are intended to underscore the main rule of the alliance that an attack on one of them equals an attack on all of them.

Parallel to this defense policy, talks with the Warsaw Pact about reduction in forces continue. Results from talks on nuclear weapons is in sight, and it is certain that the Atlantic Alliance states will strive to achieve balance in the arena of conventional armament. This means that before further talks on

reduction of nuclear weapons in Europe (for example with regard to combat arms) can take place, emphasis must be placed on obliteration of chemical weapons and balance in the field of conventional arms.

In view of the above, I want to define the objective of the states of the Atlantic Alliance in discussions on disarmament issues in the following manner:

It is a dream to imagine that people can obliterate all nuclear weapons. Methods preventing the misuse of the knowledge of how to build such weapons must at least be available--but that knowledge will always be present. The technology that guarantees safe defense against such weapons will not be available in the foreseeable future. It is therefore necessary to live with a balance of offensive and defensive weapons to prevent war. In this connection it is necessary to look at both conventional weapons and nuclear weapons. The objective is, as mentioned before, to create balance and stability at the lowest armament level possible.

Security and Defense Interests of Iceland

It was mentioned in the beginning of this article that Manilo Brosio, NATO Executive Director at that time, had made the strategic importance of Iceland a special topic at the NATO meeting in Reykjavik 19 years ago. During the years that have passed since then, we have become aware of the enormous naval buildup in the Soviet Northern Fleet. If the strategic importance of Iceland was important in 1968, it is definitely no less important in 1987. The Soviet fleet has during this period become the largest blue water fleet in the world, and the Northern Fleet which is based on the Kola Peninsula is the strongest of the four Soviet fleets. The Northern Fleet operates in the ocean areas north and east of Iceland.

This great naval strength is not only a threat to NATO's sea lanes of communications between Europe and America but also to the security of Iceland. Domination of the ocean has always been a great concern to island nations such as us. It involves the sailings of our own ships, our fishing and all imports to the country.

This important strategic position makes neutrality impossible during the current circumstances in our part of the world. It is quite likely that such a policy would greatly reduce stability in the Nordic area and would therefore not serve anyone. We can, however, be grateful that all our other interests highly recommend that as the solution [NATO] of our security and defense issues which have been caused by our country's geographic location. What Bjarni Benediktsson said in his aforementioned speech 19 years ago still applies, i.e., that it would be absurd to abolish the Atlantic Alliance or to withdraw from it unless another equally secure arrangement would replace it. The Alliance had then secured peace in Europe for two decades and now two more decades can be added. This result is worth much.

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COLUMNIST: ANTIBASE MOVEMENT LOSING SUPPORT IN PARTIES, PUBLIC

Reykjavik MORGUNBLADID in Icelandic 11 Jun 87 p 9

[Commentary by 'Staksteinar': "If the Mood is There..."]

[Text] The Keflavik Walk on Saturday, sponsored by the Organization of Base Opponents, probably had the fewest participants ever. The leaders of the Walk say that about 250 persons set out from Keflavik; that about 700 persons participated in Kopavogur and that about 1,500-2,000 attended the outdoor meeting in Reykjavik. These are the highest figures mentioned, and it can be assumed that in fact the participants in the Walk and the meeting were fewer. THJODVILJINN said yesterday that "of course it would have been nicer to have more people participate in the Walk," but adds that the numbers are not everything. "If the mood is there, the act was successful." Staksteinar discusses this today.

Little Interest

In previous years, the Organization of Base Opponents was active and had many members and reached into most all the political parties. Those days are long gone. The great majority of the people and the leaders of almost all the political parties realize the necessity for a defense cooperation with the United States and membership in the Atlantic Alliance (NATO). The Organization of Base Opponents now only counts several eccentrics and the operation is mainly run by radicals from the Youth Organization of the People's Alliance and left-wing socialists. The only political parties that are opposed to defense of Iceland and the membership in NATO, the People's Alliance and the Women's List seem to be shy about being too closely tied to the Organization of Base Opponents. It is noteworthy that among the speakers in the Keflavik Walk and the at outdoor meeting in Laekjartorg [in Reykjavik] there were no parliamentarians from these parties. It can be safely assumed that they declined to give speeches during the Walk, keeping in mind that it could be an uncomfortable obligation because of the attempts to form a new government. The only leader from the left parties who spoke during the meeting of the Walk participants was Olafur Ragnar Grimsson. He will, however, hardly be considered the staunchest opponent of the Defense Force and NATO within the People's Alliance, as he has said that it would be possible to negotiate the party's participation in the government coalition without the departure of the Defense Force or withdrawal from NATO being considered.

It is not, however, the lack of interest among the public and the politicians that irritates the THJODVILJINN reporters the most in yesterday's paper, but the intentional lack of interest among the state-run media. The paper's front page report on the Walk is mainly about this lack of interest. It is stated verbatim: "There has been great dissatisfaction with the news reporting by the state-run media, but Bylgjan was the only airwaves medium to report correctly on the Walk. It was stated in the television news on Saturday night that the number of participants in Kopavogur was about 400. The Organization of Base Opponents was for the first time able to advertise at will on the private airwaves because the private radio stations do not care that the commercial says: Iceland out of NATO--the Defense Force out [of Iceland] as do the state run media." For those who have followed the fight of THJODVILJINN against private radio here in the country, these are noteworthy words. Firstly, the paper confirms that the new stations increase the possibilities for all kinds of minority groups to promote their causes. The opposite has always been maintained by the paper. Secondly, it is remarkable to see THJODVILJINN discuss "free radio stations" as contrast to state-run media, as the paper has been constantly harping on the fact that the state-run media is no less free than the private media and that it is incorrect to talk about "free radio." More power to them!

Quantity and Quality

THJODVILJINN is dissatisfied with the participation in the Keflavik Walk, although the paper talks about a "successful" Walk in its front page news yesterday. The paper comforts its readers by stating that quantity is not the same as quality. In a report in the center page it is stated verbatim: "Although it would certainly have been nice to see more people participate in the Walk when the need for resistance against military projects and armament has rarely been greater, the quantity is not of the greatest importance. If the mood is there, the act has been successful. The mood was good in the Walk on Saturday, and some people said that the mood was much better than often before. The mood was pleasant; it was light and it indicated the conviction that it was a sign of a greater participation in the next Keflavik Walk."

It is nice to see that the base opponents accept a "light" and "pleasant" mood in their own ranks when the public shows no interest in their fight and enterprises. But writings of this kind, where the movement is everything and reception is secondary, undeniably call to mind congregations of a different kind.

9583
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FOREIGN MINISTER PLEDGES FULL SUPPORT FOR NATO POLICIES

Reykjavik MORGUNBLADID in Icelandic 13 Jun 87 p 34

[Article: "Foreign Minister Matthias A. Mathiesen: Full Support For NATO Policies"]

[Text] Iceland's Whaling Discussed with George Schultz

Foreign Minister Matthias A. Mathiesen said at a press conference in the Hagaskoli Press Center yesterday that the Icelandic government categorically supported the policies of the Ministerial Meeting of NATO concerning the dismantling of the so-called Euro-missiles. Shortly after noon, Foreign Minister Mathiesen and Minister of Fisheries Halldor Asgrimsson met with U.S. Secretary of State George Schultz to discuss Iceland's whaling for research. Another press conference was called on that occasion.

In the beginning of his comments, Foreign Minister Mathiesen said that a full agreement had been reached at the Ministerial Meeting on a statement of support for continued negotiations between the superpowers on elimination of short and long range nuclear missiles in Europe. Mathiesen said that he wanted to call attention to the fact that the resolution of the meeting emphasized a total elimination of medium range nuclear missiles. Thereby, the idea that each superpower would retain 100 nuclear warheads outside Europe would be abandoned. He said that in his opinion, this part of the resolution was extremely important, in light of the fact that all verification would be considerably easier if there was an agreement on total elimination of this type of weapon systems.

Mathiesen said that he introduced the views of the Icelandic government. He said that he pledged full support for the ideas which had been approved by the ministers. Moreover, he said that the Icelandic government welcomed the plans on further reduction of nuclear weapons, i.e., reduction by half of the superpowers' long range nuclear missiles; total elimination of chemical weapons; balance in the field of conventional weapons and negotiation talks about reduction of combat arms with nuclear launchers in Europe. Mathiesen said further that the Icelandic government supported the policy pursued by the North Atlantic Treaty Organization that it was not proper to negotiate about further reduction of nuclear weapons while the Warsaw Pact enjoyed superiority in the field of conventional weapons.

Shortly after noon, Minister of Fisheries Halldor Asgrimsson and Foreign Minister Matthias A. Mathiesen met with U.S. Secretary of State George Schultz at Hotel Saga. After their meeting, another press conference with Icelandic reporters was called at the Press Center in Hagaskoli.

The Icelandic officials discussed Iceland's whaling for research with their U.S. colleagues. Next week, the meeting of the International Whaling Commission will begin in Bournemouth, and the United States intends to submit a proposal in which the Scientific Research Committee of the Commission will handle the research plan of Iceland; also, that the conclusion of the committee will be certified by the Commission. Minister of Fisheries Asgrimsson said that the Icelandic government could not accept this proposal, particularly not the item which concerns the certification of the Commission and conceivable vote on the conclusion of the Scientific Research Committee. Iceland feels, however, that the conclusion of the committee should be viewed as a recommendation which naturally makes it impossible to vote on. This position had been conveyed to the U.S. secretary of state. He had expressed understanding of the matter both at the meeting and in a letter to Icelandic authorities. Asgrimsson did, however, call attention to the fact that it is the U.S. Department of Commerce which handles these affairs and that further discussions between Icelandic officials and officials of the U.S. Department of Commerce would therefore be needed.

In an answer to a question, Asgrimsson said that Icelandic authorities would strive to maintain whaling for research, a research that already has yielded great results. However, Iceland wanted to continue its whaling in acceptable peace with other nations.

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CSO:3626/2

NEWSPAPERS AROUND COUNTRY COMMENT ON NEW PALSSON GOVERNMENT

Reykjavik MORGUNBLADID in Icelandic 9 Jul 87 p 9

[Commentary by 'Staksteinar': "To Each His Own"]

[Text] To Each His Own

The government of Thorsteinn Palsson took office yesterday. Today, Staksteinar will look at newspaper editorials discussing this time of transition. And the opinions vary.

The Spare Tire is In Place!

THJODVILJINN editorial yesterday says that the dowry the government gets is the best economic times in the history of the republic. It is stated in the editorial, that despite the last government's spending, Thorsteinn Palsson, along with his cabinet, is taking over a good operation; the reason for that is seasonal prosperity and favorable terms of trade, as well as productivity of working people. The editorial writer then says: "But despite the good economic times, black clouds loom on the horizon. Frivolous living with state finances cannot last forever, and as a token of regret and amends are now the so-called "first measures" in state finance affairs, which at first glance seem like emergency measures in crisis.

It is obvious that this government knows quite well where it is most suitable to touch down when increasing revenue: public consumption is the first choice; taxes on food; cars; computers and so on."

It is stated about the government coalition agreement: "Various issues are mentioned in general terms, but care is taken to avoid describing accurately ways and objectives, as the objectives themselves are foggy."

THJODVILJINN says the following about the government participation of the Social Democratic Party: "If anyone imagined that it was possible to find a leadership and uniting power of Icelandic Social Democrats within the Social Democratic Party, this government participation of the Social Democratic Party will make it crystal clear and conclusively confirm that the Social Democratic Party has opted for a field of operation directly in between the Progressive Party and the Independence Party.

It as now happened, as was predicted before the last elections, that the Social Democratic Party did not intend a more ambitious role for itself in Icelandic politics than to be ready as a spare tire if the bicycle built for two, the Progressive Party and the Independence Party, would have a flat tire. And now the spare tire is in place.

New Finance Minister

In an editorial in ALTHYDUBLADID yesterday, the position of the Social Democratic Party in the new government is discussed, among other things, as well as the "castling" by the chairman and Jon Sigurdsson. The paper rejects speculations by many media organs that by the "castling," Jon Baldvin Hannibalsson was avoiding firing Johannes Nordal [Central Bank director] or saving "ministers and prelates" from receiving as their chief a man who has not been baptized and is not a member of the national church.

ALTHYDUBLADID says that all talk about "castling" is only imagination, as it had never been automatic who of the Social Democratic Party parliamentary members would become ministers or which ministries they would head.

The paper says about the chairman being at the helm of the Ministry of Finance: "It is both natural and appropriate that the chairman of the Social Democratic Party heads the most important ministry under the leadership of the party. That underscores his position as chairman and a creative manager in the difficult discussions on government formation which have lasted over a month, and finally yielded the current government pattern. Moreover, the Ministry of Finance provides the chairman of the Social Democratic Party with an instrument to push through the important tax reform changes which the party has announced and an agreement has been reached within the new government."

New Faces

The editorial of DAGBLADID/VISIR is devoted to the changing of the government. The editorial writer calls to mind the previous government consisting of these three parties, the so-called Stefania. That government is mainly remembered for the fateful decision of being in the forefront of Iceland's membership in NATO. "It is unlikely that the government which is now taking power will leave such a fateful mark. At best, it is an extension of the coalition government of the Progressive Party and the Independence Party, and it will probably be more involved in the day to day affairs than the big issues."

In the opinion of DV, the new government is a defense wall of old perspectives against the tumult that has been taking place in the nation and has been reflected in new candidates; unexpected election results and the mental attitude of a new generation. "The old parties seem to have united in defending the fort to the last man, all for one and one for all."

"However," says DV, "the government parties, the tricycle [three-party] which is now taking power, had the good sense to put forward younger men for ministerial positions. This might save their lives."

New Government

The TIMINN editorial is mostly about the program policy of the new government. It is stated at the conclusion of the editorial:

"The objectives of this government are in main points the same as that of the departing government of Steingrimur Hermannsson, with full employment; curbing of inflation and putting a stop to the trade deficit and debt accumulation at the top of the list.

It is the luck of this new government that it received a good inheritance from the departing government, although it is clear that restraining measures in economic affairs are still needed for some time to come, which should not come as a surprise to anyone."

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CSO: 3626/6

NONSOCIALISTS SEEN IN TROUBLE AS LOCAL ELECTIONS NEAR

Oslo AFTENPOSTEN in Norwegian 1 Aug 87 p 3

[Article by Borge Brende: "Before the Fall Elections: The Experts Say Nonsocialists in Trouble"; first two paragraphs are AFTENPOSTEN introduction]

[Text] Helge Seip emphasizes that election campaigns are always exciting in Norway. The director of Datatilsynet [Computer Management] has long experience as an election analyst. Public official, editor, politician and civil servant Helge Seip has written several election manuals. Standing before the Municipal House he reminds us of how strong is the influence of local affairs in a complex country such as Norway.

The Labor Party will get at least 40 percent of the votes. The Conservative Party will decline in relation to the Storting election of 1985, but will retain its position compared with the poor showing in the municipal and county elections of 1983. The Progressive Party will have a good election. If we were facing a Storting election it could be catastrophic for the Center Party, which traditionally does better in local elections.

The above are the conclusions which election experts Helge Seip and Bjorn Skau agree that a reasonable person could reach before the fall municipal and county elections, which they both look forward to with a good deal of uncertainty and excitement. The uncertainty is related to how the breakdown of nonsocialist cooperation will turn out. It is clear that the Labor Party is on the offensive in a situation where there is no unified nonsocialist government alternative.

Setback

"On the nonsocialist side, the unfortunate storm in government has led to a setback to a situation from before John Lyng formed a government in 1963," said Skau. In addition, he is surprised that the Progressive Party has not advanced more strongly in the public opinion polls. "I am not surprised that the Labor Party has not received much more than 40 percent. But I expected that Conservative voters would react more strongly to what happened in the Storting in the Spring session," he said.

Catastrophe

Seip also believes that the Progressive Party will have a good election, but he also believes that the Conservatives, with an energetic election campaign, can take back a number of votes from Hagen, and thus have a better election than in 1983. Skau emphasized that if the Conservative Party does not exceed 26 percent it will be a catastrophe for the party. "It can be expected that swings among the voters are stronger than what happened in the July polls. The first sign that the Conservative Party will have a poor election is when the party does not succeed in mobilizing its traditional voters," said Skau.

Seip said that in all local elections there was consistently over 10 percent lower participation than in Storting elections. "This is a very significant group which can absolutely influence the final result in the fall," he said. "Generally the smaller parties also do better in local elections. They do not have the same appeal in national elections. Also we must not forget that in the fall we will have a significant number of foreigners who have the right to vote. Especially in Oslo, these votes can be the deciding factor in a close race between the Labor and Conservative Parties," said Seip.

Election Campaign

Seip emphasized that election campaigns are always exciting in Norway, and that there can be large swings of voters. "In the last election there was a good example of how the Labor Party in the course of a few months succeeded in securing the nonsocialist advantage." Skau agrees, but believes that the Labor Party, with its larger organization, has the most to win. "The Labor Party usually wins election campaigns," he said.

The main theme of the year's election campaign will be discussion of the government question. "There must be poor leadership in the Labor Party if they do not succeed in doing better than the polls now indicate," said Skau.

Seip is not as convinced that the question of government will be so central in the coming local election campaign. "The mass of voters is more unstable than in a long time. The election campaign itself will be very significant, and issues such as housing, youths establishing themselves, old age policies and welfare questions will be engaging issues. We will also for the first time in the 80's see the beginning of an important environmental debate," he said.

Good Humor

Skau maintained that humor increased greatly in the Labor Party following the clash at the end of the Storting session. It is very important to the input of a party in an election campaign that the party's spokesmen are satisfied, he pointed out. "If we were facing a Storting election in the fall, it would be a catastrophe for the nonsocialist parties. The Center Party would have especially suffered, but the party is stronger in a local election. That is because the Center Party has a number of skillful municipal politicians. Furthermore it is easier to discuss district and rural questions in local elections. The opposite applies for the Christian People's Party. With a stability of about 75 percent in the latest polls it will be a typical

mobilization struggle for the party. It is not as simple for Bondevik to put lifestyle and value questions on the agenda in a local election as in a Storting election.

Seip believes that the Center Party with its defensive course of last spring has managed to hold onto its traditional rural agricultural voters, but he emphasized that it will be more and more difficult to find new voter groups. "The Christian People's Party can expect a hard fight for voters, and some decline. The party has gradually begun to notice pressure from traditionally strong counties such as, for example, Rogaland. Changes in the labor structure and population moves had a major impact on the result of 14 September," Seip asserted.

Rural Election

There was full agreement in our expert panel that 1985 was a typical rural election for the Labor Party. Skau said that was where the Conservative wave stopped. "It is possible that some of that has now changed. The Labor Party, for example, has not for many years had such good possibilities to capture Oslo," said Skau, and added that Rune Gerhardsen is a strong card for the party. "He is also the only real crown prince to Gro Harlem Brundtland," said Skau, who knows the party from the inside out.

Seip is surprised that the Socialist Left Party [SV] has been so low this past year. "The party can advance somewhat, but despite Kvanmo's star SV has made a poor impression. The Labor Party has a somewhat better grasp of youth voters. The need to improve relations with young voters is the most serious challenge confronting the party," said Skau and Seip.

Neither of the two believe that there will be any great changes in the leadership of the counties and municipalities. The greatest excitement is in the big city results, said the two. In Bergen the nonsocialists will continue in the leadership, while Trondheim is wide open. In the counties, the socialists have the best chance of taking over the leadership in Sor-Trondelag.

Local Election

Skau is in suspense over how great influence the local election campaign will have on the final result. "It now appears that we will go into a traditional national election. An interesting change is that this will be the first election campaign that the Progressive Party is counted as an equal. Voters are no longer afraid to stand up and say that they are voting for Carl I. Hagen."

Skau also believes that Gro Harlem Brundtland will play an important role in the Labor Party's outcome. "This will be the first election campaign in which she as a person is not disputed. People no longer discuss whether she is too quick tempered or not. The voters have accepted that she is a considerably better head of government than opposition politicians," said Skau.

Seip believes that the Labor Party would not have had a majority in the Storting if there had been a national election. "But it is clear that the party is slipping," he said. "The question of interest rates can also be a very large burden for the party. From the government side, every criticism can be countered with the question, 'What is the alternative?'"

COMMUNIST PARTY PRESS ORGAN ASSESSES NATIONAL CONGRESS

Oslo FRIHETEN in Norwegian 23 Apr 87 p 3

[Editorial by Arne Jorgensen: "Norwegian Communist Party's 19th National Congress"]

[Text] At the Norwegian Communist Party's [NKP] 19th national congress, which was concluded last weekend, the main contents of the Platform Committee's proposal for a platform for NKP were unanimously approved--with the provision that the Platform Committee do additional work on the proposal so that an issue-oriented debate will continue until the executive committee approves the entire platform.

Other resolutions were also unanimously approved, including a main resolution which summarized important elements in the party's policy: working for peace, anti-imperialist work, the fight against unemployment and austerity policies, and the determination that the goal of the party is a socialist reorganization of Norwegian society. As a basis for the necessity of following the path of socialism, the resolution points out the lack of ability of capitalism to solve the fundamental problems of mankind, including the environmental, ecological and other problems. In the OECD countries, for example, there are today more than 30 million people, including a large number of youths, without work. The imbalance between individual capitalistic countries, and between sectors in the individual countries, has increased--as have the deficits and burdens of debt. Monopolies and finance capital have increased their power. In our country today we are finding that a Labor Party government is forced by strong capitalist groups to carry out economic policies according to a nonsocialist formula, and at the same time it leads an austerity policy against ordinary workers, according to the main resolution.

Was the 19th national congress then conducted under the sign of unity? In spite of the unanimous political resolutions which were approved, it would be wrong to answer the question with an absolute YES. Certain conflicts, of a political and personal nature, came to light both during the discussions and during the following election for the executive committee. If these do not convince, it is not an expression of other than that NKP is "standing tall," that democracy rules, and that everybody can freely express his opinions. On that subject the NKP leader, Hans I. Kleven spoke the following words, which are worth remembering:

"We must think, speak and deal as responsible, class-conscious and peace-loving communists. If we do that we will discover that the differences of opinion among the great majority of the members are small in relation to the great tasks we are confronting...New ideas need not mean a break with the theoretical and political principles we are building on, and our internationalism. On the contrary there must be renewal of further development, firming and exploring of our ideas on the basis of marxism-leninism. Marxism needs neither renewal nor modernization, but can always be developed further, adding new analyses and conclusions based on life's experiences..."

As far as elections are concerned, they take place by secret, written votes which have proved to be a laborious process--which takes so long that it was not possible for the members of the executive committee to establish the new leadership, which meant that the former leadership functioned until the new leadership came together. We are convinced that it will be able to designate a unified leadership which sees it as its primary task to bring the party out of its current difficulties by making it more mobile and workable, in tune with today's possibilities and demands.

9287

CSO:3639/84

PARLIAMENTARY 'CRISIS' SEEN FROM ABSENCE OF VIABLE OPPOSITION

Oslo AFTENPOSTEN in Norwegian 8 Aug 87 p 2

[Editorial: "Desire for Power"]

[Text] Whatever one should be able to say about the Labor Party, there is never any doubt about the party's desire for power. We do not want to criticize the Labor Party for its willingness to govern. Instead we prefer to call attention to it as an asset for Norwegian democracy. Desire for power and influence are simply a condition for democracy to operate in accordance with its purposes. Without clear and effective alternatives democracy comes to a standstill.

The damage caused by the nonsocialist breakup before summer vacation must at least be judged in that light. We have a split opposition, without desire for power or responsibility. Or saying it in another and more precise way: the Conservative and Christian People's Parties both worked deliberately for a change of government, but this effort to bring the nonsocialists back into power was frustrated by the Center and Progressive Parties. The most surprising aspect of the parliamentary crisis which then arose was that the Center Party rejected the formation of a government on the basis of a program which the leaders of the party themselves had participated in formulating. We can state with confidence that nothing like that has ever taken place in our political history.

Under the existing circumstances, with nonsocialist cooperation in ruins, it is obvious that the respective parties must work for increased support for their own policies and their own leading issues. The parliamentary crisis is no less of a fact. The absence of a realistic and energetic alternative to the existing government stands out as a defeat for all parties which make up the Storting's nonsocialist majority. Without again going into the causes of the breakup, today's deplorable situation is an expression of the lack of power of the politicians who together should administer the mandate of the voters.

The parliamentary situation which was created after the last Storting election, with the Progressive Party's two seats as the deciding factor, is obviously an accident. Even more so since at the beginning it was clear that constructive and formalized cooperation with Carl I. Hagen's party was not

going to take place. For our own part we could not accept that the situation would exclude a form of consensus which would give reasonable stability to a nonsocialist government. But that assumed, at the least, a willingness to come to terms with Hagen, and to find a procedure which would make it possible to administer the nonsocialist majority. We took the position that conversations about that should begin after the election results were known.

Let us hope that in the Storting election of 1989 the voters will prevent us from arriving at the same impasse which we are now experiencing. But in every election one must realize that such a situation can arise, and then the problem must be met in a realistic and unbiased way, unlike what we have witnessed in this Storting session. It would be deeply tragic for Norwegian democracy if the work of politics should be further discredited. The people deserve better.

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CSO:3639/86

PCP'S CUNHAL SUCCESSION: PREDICTIONS, COMMENTS

Lisbon SEMANARIO in Portuguese 11 Jul 87 p 11

[Article entitled "The CDU's New Youthful, Feminine Image" by Paula Brito]

[Excerpts] To say that the CDU has changed its acronym colors or language to mislead the electorate is the most simplistic and biased interpretation to be made. For months the PCP has been conducting its most spectacular campaign to inform people of its new coalition. It has not only filled the country with posters, pictures and other forms of CDU propaganda, but it has also removed all vestiges of its former coalition. From Minho to the Algarve, the CDU has erased the APU. And it has been successful. From the most isolated villages to the least known communities in northern Portugal, it is with CDU banners and slogans that the people welcome Alvaro Cunhal. Many people are probably unaware of why these elections are being held (they complain to the PCP leader in the local government, about the heat, or the shortage of water), and many have no idea what the EEC is and why they have to vote for the European Parliament. Some do not even know that there will be two ballots. They all know that the PCP is now linked with other people (but have no interest in who they are) and that this "alliance" is called the CDU.

The PCP, which is in essence the CDU, is appearing in these elections with a new image that seems to have been studied down to the tiniest details. The new symbols create new impressions on the people who see them. The PCP seems to have consulted psychoanalysis.

The speeches are of course different too, geared to the electorate. They are less critical and severe, and more tolerant and peace-loving. What shifted was the language. Fascists are now called misguided, or rightists. And one new word is heard repeatedly: youth. Reference is made to youth the way it used to be made to freedom. And the CDU has been trying to show the importance of youth. In all his rallies up to now, Alvaro Cunhal has stressed the importance of youth. The CDU, or once again the PCP, is a younger (and more feminine) APU. This seems to be the primary message of this electoral campaign. This is its big novelty. And the Portuguese communists deny that they are following the example of the USSR and its new open policy. The communists seem to want to prepare their voters for a more important change, a change that could be disastrous if it is not well thought out and structured—a change in leaders. And there will be no other leaders like the current one. Throughout

the North, people from other parties have been waiting for the opportunity to see Cunhal "in person." Cunhal knows that it is going to be difficult and that it could be fatal for the party. And he seems to know that none of his old colleagues could replace him. A young Setubal candidate said that "I admire Jose Magalhaes because he is more open and 'less burned' out'..." and Alvaro Cunhal also seems to know that his replacement could not imitate him, he would be unable to. And so it will have to be a younger person. Someone who will be supported and appreciated not for his past but for his future. The CDU is conceiving a new leader who will have to be a young person....

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POLL SHOWS SLIGHT INCREASE IN OPTIMISM ABOUT FUTURE

Lisbon DIARIO DE NOTICIAS in Portuguese 17 Jul 87 p 32

[Text] According to a survey conducted by the firm Consulmark and made available to DIARIO DE NOTICIAS, 35 percent of the Portuguese people think that the country will "be in the same situation" after Sunday's elections, while 20 percent believe that it will be better off and 11 percent are convinced that it will be worse. Thirty-three percent of those surveyed had no opinion on the country's political future and one percent refused to answer.

This survey of 750 people conducted between 30 June and 15 July in the greater Lisbon and Porto areas is a repeat of, and serves as a comparison with, a survey conducted during the 1985 legislative campaign.

As to voters' expectations regarding Sunday's results, the survey reveals a more favorable climate in public opinion, with 8 percent more than in 1985 believing that the situation would improve (from 12 to 20 percent). Curiously, the percentages of both people with no opinion and those refusing to reply are the same at the end of the two campaigns.

The survey also reveals that fewer people have watched the electoral campaigns of the various parties than in 1985. Indeed, 58 percent of those polled said that they had followed the campaigns of the various parties, as compared to 68 percent in previous elections, and 42 percent claim that they did not follow the campaign. In 1985 this figure was only 32 percent.

Figures on the public's interest in the election campaign show that this year public interest rose between the beginning and the end of the campaign, while in 1985 people's interest diminished during the 3-week period.

On the evaluation of the tone of the campaign, this poll shows more positive and favorable reactions than in past elections. Forty-seven percent of those polled were pleased with the tone of this campaign, as compared with only 17 percent in 1985, although the same number expressed displeasure (47 percent). This question caused a higher degree of neutrality in 1985, with 30 percent of those polled not giving an opinion, in comparison with the 6 percent with no opinion in this poll.

The public's receptiveness to the campaign seems to be attributed in part to the fact that a substantial number of the people interviewed expressed satisfaction with the "civic spirit," "calm," and "sincerity of the major leaders," that marked this campaign in their view. Thirty-six percent were pleased with "everything in general," 21 percent mentioned the "calm and non-violence," 11 percent "harmony," and 5 percent singled out the "sincerity of the major leaders."

In comparison with the 1985 elections, there was significant progress in all the indicators of general satisfaction. Only a lack of new political ideas, equality among all candidates and good television programs showed a decline in voter preference.

This survey showed substantially fewer feelings of discontent over aspects such as "too many unfulfilled promises," "demagoguery," and "electoralism." However, there was more discontent expressed over conflicts among the parties and lack of respect, since percentages in this regard almost doubled in comparison with the prior campaign.

This question revealed another curious result: fewer people than in 1985 felt that there were too many posters cluttering the streets, despite the fact that this campaign was considered to have generated more electoral propaganda than others.

The survey showed that discontent over "everything in general" grew during the campaign, from 21 percent at the outset on 30 June to 38 percent, while displeasure over conflicts among the parties reached its peak on 8 July, declining thereafter to 17 percent.

Displeasure over a lack of respect remained stable throughout the 3 weeks, varying only between 9 and 12 percent.

Nine percent of the voters felt on 30 June that the campaign was marked by demagoguery and electoralism, but this percentage went down to 6 percent by 14 July. Again on propaganda, at the start of the campaign 12 percent of the Portuguese people said that there were too many posters, but by last Tuesday this number had decreased to half (6 percent).

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CSO: 3542/113

ARMY'S INSPECTOR GENERAL: ABLE SOLDIERS, OBSOLETE ARMOR

Copenhagen BERLINGSKE TIDENDE in Danish 31 Jul 87 p 7

[Article by Nils Eric Boesgaard: "Able Soldiers But Obsolete Armor"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The inspector general of the Army, Major General Jorgen Christian Essemann, is seriously concerned that Danish soldiers lack elementary protection in battle: "It is not enough to create more armored units by taking vehicles from existing units."

"Man for man, Danish soldiers are good enough, but they lack materiel. They especially lack the protection afforded by modern armored vehicles," said Major General Jorgen Christian Essemann, inspector general of the Army, when yesterday in a pouring rain he attended a "training examination" of a conscript 155 mm howitzer battery in the Commando Prize Competition.

"It is a question of how good the units are, and unfortunately we must admit that there is too little money and too little ammunition to exercise them sufficiently."

The major general rejected the idea that Danish soldiers are inferior to their counterparts in the Warsaw Pact, but they especially lack armored units. In a crisis or wartime situation the Danish Army could assemble five so-called armored brigades, but at least a battalion of each consists of ordinary trucks, which afford no protection to the soldiers.

"Nor is it good enough that our wire-guided TOW antitank missiles are mounted on jeeps. The crews are too vulnerable to mortar or machinegun fire.

"A Danish armored platoon originally consisted of four tanks, but the armored force was not made stronger by taking one tank from each platoon and creating a number of three-tank platoons," said Major General Essemann to BERLINGSKE TIDENDE.

"We hope it will be possible to get a number of new armored personnel carriers of the same type as those we already have. At the same time we hope that we will get money to line the insides of our existing vehicles with teflon. During the war in Lebanon the Israeli soldiers mostly refused to use similar

vehicles because their aluminum bodies burned too easily," added Major General Essemann.

The artillery soldiers who yesterday demonstrated their skill for the general were equipped with, among other things, 12.7 mm machineguns as antitank weapons.

"They are effective against personnel and can be used within a distance of 400 meters against older types of Warsaw Pact armored personnel carriers. But against newer models they are powerless. Against these we must have at least 25 mm machineguns, and we have none," added Major General Essemann.

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CSO:36130120

REPORTERS VISIT STATION NORTH BASE

Godthaab GRONLANDSPOSTEN in Danish 22 Jul 87 pp 7-8

[Text] A yearly budget of ten million kroner to maintain Denmark's sovereignty -- but Station North is not NATO's Tool.

A large, flat, sloping plain, always snow-covered in large part -- soft snow with the sea covered by ice. In the middle of all this a runway, 1,600 meters long, a road, and small clusters of houses, or rather barracks, garages, and antennas, which rise up. Such at any rate is the first impression of the place that we otherwise hear about only in weather forecasts -- Station North.

We -- a group of journalists from Denmark and Greenland -- are on a one-day visit as guests from the Defense Command. We will go on to Thule Air Base tomorrow, so we must use the short time we have here as best we can. But first a rest after the long flight with the C-130, or Hercules, in which we have flown about four hours from Keflavik -- a bottle (or two), that is.

Afterwards a so-called briefing, which we got during the tour by the station commander, Lieutenant H.M. Petersen, in which he told about the station and its operation and mission. Well, what purpose does Station North have with five men summer and winter (mainly winter)?

Maintenance of Sovereignty

An interview a good week later with the station commander, back in Nuuk, where one has generally gotten more used to one another and the same questions.

Station Commander H.M. Petersen (who hereafter is called Mogens, for short): "Our primary mission is to operate Station North and the landing area up there so that it can, among other things, receive C-130's (Hercules type) and G-3's (Gulf Stream-Aircraft), and other smaller aircraft types that also operate in the area. Our main job is to keep the runway open. Another important task is to support and help the sled patrol, Sirius, as best we can in all ways. The more important job comes in their spring period, when they operate in north Greenland, to help them with radio communication, for we are the relay station for the groups that go from Peary Land to Daneborg."

Besides holding the runway open, the five men are assigned by defense headquarters to maintain Denmark's sovereignty over the area. According to Station Commander Petersen, being at the station is enough to show the outside world that this area is a part of Denmark.

A/G: "How prepared is Station North to receive uninvited guests?"

Mogens: "All we have to defend ourselves with are some hunting rifles, and they are in no way meant to defend the station. The rifles are only used for hunting and self-defense, if something or other comes, for example, polar bears."

A/G: "You mean you cannot defend Station North?"

Mogens: "Yes, we can do it with the rifles. They are the only means we can defend the station with."

A/G: "And you can also hoist the white flag?"

Mogens: "Yes, I think I'll choose the white flag. But the fact of the matter is, Station North cannot be considered a military barracks or installation. The five men are only up here to maintain the runway, to keep up the buildings, and to be a relay station for the sled patrol, Sirius. Station North is in no way connected to NATO's defense and military strategy. Station North is only a Danish national station."

An Alternative

But to go back a little, Station North was actually established to be an alternate runway for the American Air Force's B-52's that operated in the polar area. Simultaneously the station began to operate as a weather station. Right after Thule Air Base was built, the Americans offered to build the runway if the Danish forces would run the station. The Danes accepted, and as soon as Thule Air Base was finished in the beginning of the 50's, over 200 men began to build the station.

After the building of an emergency runway, 800 tons of materiel were flown in from Thule Air Base in 1952 -- with 125 landings, 31 parachute drops, and five free drop missions. And in 1953, 87 landings were carried out and seven parachute drops with a total of 800 tons of materiel. In 1954-56 the building of the station was continued, until it was finally completed in 1956. Danish firms paid by the Danish government built the station, while the U.S. contribution was air transport. Until the closing of the station in 1972, the U.S. contributed to the operation by, among other things, flying in supplies.

Station North's main mission was therefore to function as a weather station and to be an alternative for the USAF's B-52's. But the station also performed a series of other tasks, such as: 24 hour aircraft radio watch, northern light observation and photometry, seismic and geometric recording, absorption measurements of isotope measurements, continual measurements of radioactive air pollution, support for geodetic and geological mapping, together with prospecting, glaciological, archeological, and zoological studies and

satellite observation, particularly geodetic satellites.

From 1956 to 1972 the crew included 30 men.

"Brilliant Ice"

Station North was closed in 1972 at the end of June, mainly because the U.S. stopped contributing to the station's operation because the weather information could be obtained by satellite. The minister for Greenland, Knud Hertling, reported to the Folketing that continued operation would mean an increased expenditure for the Danish government of 4-5 million kroner a year, together with a one-time investment of about 12 million kroner for new equipment (1971 prices). The closing took place in spite of many protests from the civilian and scientific areas, and against the advice of the Defense Command.

As a reaction to the closing of Station North, the Defense Command developed in April 1972 a so-called staff study, "Operation Null North," in which the goal was an investigation of the return of defense forces to north Greenland. Here one was to reconnoiter the most promising of the known, previous locations that had been investigated by the American Air Force that would be suitable for the establishment of a manned station with the accompanying runway. This study was started in March 1974 with the code name, "Operation Brilliant Ice."

"Operation Brilliant Ice" was conducted in 1974 and 1975 with C-54 and C-130 (Hercules) aircraft, and with helicopters from, among other places, Greenland. In addition, the Sirius depots were resupplied and cabins were set up. In 1975 Station North was manned and has been manned ever since. After 1976, "Operation Brilliant Ice" was continued, partly as transportation assistance to Station North and partly to resupply the Sirius depot at the station.

Among other tasks for Station North today are: support for the execution of search and rescue operations, keeping the station's runway open year round, supporting Greenland's Command, particularly the sled patrol Sirius and the Air Group West, carrying out and reporting weather observations, supporting scientific expeditions, and maintaining scientific equipment.

Ten Million Yearly

There is a yearly budget of ten million kroner to keep Station North open all year, of which half, five million, is only for fuel for the aircraft that land at the station. The rest goes for wages and operation of the station.

Mogens: "We have 275,000 liters of diesel a year, plus about 90,000 liters of jet fuel. The 275,000 liters of fuel are for us to keep warm in winter, and to keep the runway free of snow. It is also for a reserve, for example, if the weather is so bad that we cannot receive new supplies. In winter our furnace uses about 25,000 liters a month on the average for electricity and heat. The temperature here is about 30-40 degrees below zero for a very long time. And we use an average of about 70,000 watts of electricity."

Expeditions

Station North was also opened to keep an eye on the various expeditions that take place in northeast Greenland, and to provide an alternative for the aircraft that fly over the North Cape. But which expeditions make use of Station North?

Mogens: "The Americans come the first of March -- 50 to 100 men, depending upon which experiments they are doing. They make camp on drift ice. This year they are about 150 miles from Station North. O.K., this is so far out that it is in international waters, but we still run all communications and coordination from the station. Among other things, the Americans are interested in how strongly the ice drifts, where it drifts, which direction, whether they can see that it goes in precisely that direction year after year, etc. They measure the radioactivity in the snow and measure pollution in melted water. As far as I know this has nothing to do with military matters. Most of the participants are civilians. Maybe some of the things they do have military purposes, but we know nothing of this. Otherwise we get expert opinions from the Defense Command."

The Americans' investigations last about two months, after which they leave the ice. In the thaw, in June, the runway is closed, and not until the beginning of July do other expeditions come.

Mogens: "Then the first very extensive expeditions begin. There is Greenland's Geological Studies -- this year in Christian Bay there are botanists. And there is the Meteorological Institute, which inspects its weather stations. More private expeditions also come. In 1985 there was the Jorgen Bronlund Minde expedition. And then there was Eigil Knuth (who is up there at the moment). He only does archeological studies, in which he investigates the old graves and dwellings. Last year we had a French expedition that wanted to study the possibilities of satellite information.

The Long Winter

After the summer months with daylight round the clock, Station North goes into almost permanent darkness. They must pass the time, and the five men are therefore occupied with various tasks. Lieutenant Petersen tells what they are:

Mogens: "We work in shifts. To begin with the cook -- he is not insignificant -- is mainly to cook. Then he has to work with the radio -- send weather reports and other radio accounts. He is therefore responsible for communications, and he also keeps our living quarters clean. We act in turn as cook one week at a time. The rest have their specialties. We try to have a group that has a certain background, among other things, mechanical. We have an unbelievable number of machines and advanced snow removal equipment. At any rate, at least one man must be a mechanic, and we have been lucky to have two this year. They have a lot to do to maintain and service the vehicles we drive through the winter.

"Besides this, we have our furnace, and since I am an electrician, it was natural that I took it over and ran it. The four -- besides the cook-- maintain the materiel, see to the work in the station, among other things by driving fresh water to our living quarters. We try to maintain the station as much as we can, but we cannot undertake large building projects during the winter. But inside we have made quite a few things this year. For example, our carpenters have put our club in good condition."

A/G: What do you do in your free time?"

Mogens: "This year that's been easy, because there has been so much to do. We have had an unbelievable amount of snow, and this has given us lots of work. We have driven over 4,000 hours in the vehicles. Maybe this doesn't say much, but in normal periods we drive about 2,500 hours. This is the same as one man sitting in a vehicle for over three months -- driving day and night. Because not only the runway must be kept clear, but also the roads and the platform down there where the aircraft park. When we do not work, we use much free time for photography. We read a tremendous amount, and these are the two main free time activities we have."

A/G: "Do you also think about ladies?"

Mogens: "We can't avoid that, sure. One has to think about them. It is very seldom that they come up here, so... Only once a year or maybe twice do any come by."

A/G: "Must there always just be men stationed at Station North?"

Mogens: "Yes, I think so, or there must just be women. I think there would be too much envy and dissention if one or two women came up here. I don't think it would work."

Besides snow removal and maintenance, the five men must look after the various measuring instruments of the Meteorological Institute. There is, for example, a northern lights camera that takes pictures throughout the winter, on which the film and tape must be changed. There is daily communication with Denmark (Defense Command), Denmarkshavn (Sirius patrol), and the communications office in Thule Air Base. And finally, weather observations must be sent to, among other places, Nuuk.

9124

CSO: 3613/119

BROAD-RANGING MILITARY MANPOWER MEASURES SEEN NECESSARY

Bonn LOYAL in German Jun 87 pp 6-9

[Article by Stephan-Andreas Casdorff: "Lean Years"]

[Text] The members of the Defense Committee were impressed. While in Bonn everybody was talking about General Secretary Mikhail Gorbachev's proposed "zero option" for nuclear systems, the committee had been invited to the defense ministry to listen to the facts. Hard facts. "The Soviet Union has the biggest fully mechanized army in the world. In case of war, it can mobilize about 200 divisions single handedly. Added to this are more than 50 divisions of its allies." In his presentation, a uniformed assistant chief of staff stated that, while the manpower strength of the Warsaw Pact ground forces has remained fairly constant since 1970, the number of its main weapon systems has significantly increased, particularly during the last 5 years. The image of peacefulness and generosity which some of the new delegates in the committee had thought to perceive in the Soviet "disarmament offensive" darkened visibility. Even experienced oldtimers in the field of military policy had been slightly taken in by Gorbachev's barrage of proposals.

The assistant chief of staff with his mass of charts left them with some food for thought. The quantum leaps in the quality of Russian tanks, artillery, air forces, coldly presented, pulled a voluntarily sublimated problem once again out of the deep shadows and into the glare of spotlights: the Warsaw Pact's conventional military threat. How should, and how can the FRG contribute to a credible deterrence against this massive arsenal? How can it maintain this deterrence for the long term in concert with the Western alliance? Suddenly the same old basic questions surface, which greatly predate May 6, the day of the meeting of the Defense Committee.

"The important thing is the political environment in which defense decisions are made. The main task is, and will remain, the deterrence of the USSR and its Warsaw Pact allies. However, we cannot take it for granted that the public supports the way in which this is implemented and the political and material costs of doing so. NATO itself cannot be of much help in this, because it is each individual government's responsibility to mobilize support in its own country. But the governments must really take action, if the requisite decisions are to be made and implemented." This was the statement of objectives, in early 1985, by James Moray Stewart, the alliance's assistant secretary general for defense policy and planning.

This is a particularly difficult task for the Federal government and for all the members of the Bonn parliament, if they recognize the need for a national armed force. The German armed forces are facing some lean years.

The population from which the armed forces are recruited has cut its annual birthrate in half during the last 20 years. The German nation is shrinking in size. The numbers of the annual birthrate are alarming: From just about 1 million in 1964 it shrank to about 530,000 in 1984. Barely 263,000 of the newborns were males; in the year 2003, when they will be 18 years old and subject to the draft, about 59 percent of them will probably be made to serve. This will amount to about 155,000 men.

The year 2003 appears to be safely distant. But the problems will surface earlier: "For the next 5 years the Bundeswehr's peacetime strength can be maintained, without major difficulty, at 495,000 (490,000 plus 5,000 reserve trainees). However, in the 1990's the shrinking number of men available for military service will result in a shortfall of 100,000 draftees for the Bundeswehr every year after 1994. In the absence of remedial measures, the Bundeswehr will shrink to barely 3 million military personnel by the end of the 1990's," the defense ministry acknowledges. As long ago as 1984, worried planners stated that this shortfall could be avoided by "a whole bunch of countermeasures."

The first step: lengthening obligatory military service by 3 months, to a total of 18 months. This is to be effective in the middle of the 1990's. But this will not be enough. The "bunch" of measures includes the plan to retain each year a greater number of draftees for extended active duty than has been the case to date, that is, to recruit them for long-term service. While in the past 9.5 percent agreed to serve for additional periods, this share should increase to 12 percent. Maintaining peacetime strength until 1995 will depend on this increase.

But what will happen after that? The experts have held in-house discussions about remedial actions for some time: Thoughts that were expressed behind closed doors include Bundeswehr service for women and yet another increase in the obligatory service term. Finally (though no one would admit to this publicly at present), a reduction in size of the Bundeswehr has been considered. However, inasmuch as Federal Chancellor Helmut Kohl and his Defense Minister Manfred Woerner have solidified their political position because they want to maintain German troop strength so as not to send a wrong message to the allies, this point of discussion must not surface in current considerations. Not yet.

On the other hand, the subject "women in the Bundeswehr" is being dealt with. In 1985, former Chief of the General Staff Wolfgang Altenburg, the strongest advocate of voluntary military service for females, identified 15,000 assignments for them. In accordance with the Constitutional provisions for "no armed combat duty" these positions had been determined in such activities as supply, maintenance or communications. The recently elected parliamentary state secretary, Agnes Huerland-Buening, and Altenburg's successor, Dieter Wellershoff, are said to be launching this idea in "relevant circles" even now, in 1987.

The same is true for the other enormous undertaking of the defense ministry: a massive increase in the number of active duty exercises for reservists. This item too is to be submitted to discussion with churches, labor unions, industrial associations, local politicians and many others--publicly, not behind closed doors.

But Frau Huerland and Admiral Wellershoff will not do this by themselves. "One man or one woman alone confronting everybody would not work." Helmut Moehring, president of the more than 100,000-member reservists' association, speaks of the necessity for a "snowballing system": detailed information about the situation, to be passed on by increasing numbers of people and to be widely disseminated among the population. The reservists' association is ready to help: "That is part of our mission."

There is indeed a challenge for organizations which are close to the Bundeswehr. After all, the citizenry must be quickly informed that their personal contribution to the national defense must increase. For reservists, the plans of the defense ministry mean that "the reserve can no longer doze." By 1995 the number of military exercise terrains will grow from 6,000 to 15,000. Thereafter, 400,000 reservists will be processed and integrated into the active duty force. And this will happen at a time when the civilian sector too will fight for every employee and will not want to release any. It will be as hard hit by the demographic problem as the armed forces.

"Peace is not a static condition which can be achieved by merely laying down one's arms; rather, it is a process which requires new efforts every day." These words of Friedrich-Wilhelm Baer-Kaupert, a professor of political science in Berlin, may be taken as a warning. To quote Helmuth Moehring again: "The decisive factor is the will of the citizens." While all other factors can be calculated, this one is elusive: How great is the willingness to make sacrifices for the sake of attaining political objectives in the face of increasing difficulty? What's more, the price to be paid by the individual citizen continues to increase.

Following their mandatory service, most of today's reservists are not especially eager to go on active duty for maneuvers or even short exercises. This became evident in last year's "Fraenkischer Schild" [Franconian Shield] exercise: Only about 60 percent of the recruits showed up. This is not exactly encouraging for the 1990's, considering the fact that the number of callups is slated to increase then. There is a seemingly endless chain of adverse factors: an employer who only grudgingly lets his employee go--and soon the employees will be not only apprentices but also journeymen and master craftsmen; a dissatisfied colleague who has to take over the reservist's duties in addition to his own not once, but four times per year; the family, which complains that its head is absent from home on weekends more frequently than before; the wife, who complains that despite the burden, less money is available for household expenses; the suspicious glances that "active duty" troops cast at those who in reality are no longer part of it all. Each of these factors must be addressed in intensive discussions among all concerned, or "everything will come crashing down," a defense ministry expert justifiably predicts.

Tentative overtures for dispelling ignorance in such areas as industrial enterprises must be quickly converted into a synchronized assault by those "in the know." There surely is no other way to confront the predominant misunderstanding of the actual threat situation. Otherwise there will be no change in public opinion, and things will come to a head quickly.

If during the next decade the disadvantages of military service, not least the material ones, become fixed in the public mind, we can predict that the current general acceptance will turn negative. This would impact on reservists just as much as on extended duty and professional military personnel: under those conditions, the numbers of both groups would dwindle. Instead of additional manpower, for both improved reservist training and maintenance of the manpower strength of the present armed forces, another problem would exacerbate matters: that of a "negative selection."

The fact that the civilian economy can make more attractive offers with more money and shorter, firmer working hours means a severe loss to the Bundeswehr in matters of quality--and this at a time when it is of particular importance for military personnel in responsible positions, from generals to noncommissioned officers, to generate "motivation." But motivation is indispensable for recognizing the significance of military service and for stimulating the young men after their obligatory service or extended duty to return voluntarily and to pass on their experience to others.

The deterrent value of the Bundeswehr within NATO is particularly important in view of potential nuclear disarmament in Europe. The "conventional" strength of an armed force consists not merely in the number of troops and their equipment. In addition, the members of a Western army must be conscious of the fact that there are values to be preserved. This insight has diminished. Polls in which the interviewees considered the Soviet troops to be a diminishing threat indicate as much. For this reason, other important agenda items for urgent consultations between industry and politicians include describing the existing threat, creating a greater awareness of and reality and thereby a new readiness for defending democracy and freedom, with armed force if necessary. As Friedrich-Wilhelm Baer-Kaupert puts it: "Peace will be permanent only if it can be seen as a tolerable condition for society. This can happen only if it is not viewed as a one-time objective or an occurrence to be achieved only once."

But even if it should be possible to catch up with the losses sustained in previous years and to reestablish a consensus on security policy in at least this area the German armed forces will face lean years. Readiness to serve in the Bundeswehr will not do the trick alone either. All efforts are doomed to failure unless there is a significant increase in the male birthrate. If, on the other hand, the present trend continues or even takes a downward turn, it will not be possible to maintain a peacetime strength of 490,000 or an emergency strength of 1.3 million. Not even with greater numbers of reservists. A conscription class of some 180,000 just would not be sufficient for this.

In that case, a reduction in size of the armed forces would have to be considered, for better or sorse. During those lean years, when defense budgets may also fail to increase, proposals such as those by the SPD's Andreas von Buelow would possibly have to be seriously considered. An interrupted period of obligatory service, 15 months initially and later 12 months, with beefed-up exercises; reduction of the peacetime force to 300,000--could this become reality about the year 2000? Should there be no agreement between East and West on a substantial reduction of operational troops by that time, this could be a realistic concept. This would be especially so if the FRG had by then given sufficient proof to the Western alliance of its willingness to make sacrifices, so that there would hardly be any danger of sending a "wrong message" to the allies.

9273/9738

CSO: 3620/268

ARMED FORCES PREPARING MORE FLEXIBLE SERVICE TIME OBLIGATION

Proposed by Defense Minister

Helsinki UUSI SUOMI in Finnish 19 Jul 87 p 9

[Article: "Norrback Looks into Reforms: Conscripts' Service Periods to Be Staggered"]

[Text] In Defense Minister Ole Norrback's (Swedish People's Party) opinion, conscripts' service periods could be staggered in a better way than they are now. In practice this means that there would be recruits serving for 9 or 10 months too in addition to those now serving for 8 and 11 months.

In an interview published on Saturday in AAMULEHTI Norrback examines flexibility for service periods on the grounds that recruits' training is noticeably better than it was before.

"There is no reason for shortening recruits' service time and the total time served by recruits would remain unchanged, but some could serve longer than 8 months and some less than 11 months, depending on their training," Norrback said.

In addition to length of service, Norrback wants a discussion on the content of the service period. He said that there could be more sensible activities instead of mechanical activities. Col Ilkka Ranta, the commander of the Satakunta Artillery Regiment, believes that the minister's reflections are aimed in the right direction. In Ranta's opinion, however, the implementation of four or more different service periods will require consideration. The practical application may be difficult.

Alpo Merila, the chairman of the Recruits Union, does not approve of Defense Minister Ole Norrback's proposal to stagger recruits' service periods. According to Merila, the proposal would mean extension of the service period of those serving 8 months to 9 months, even though the raising of the level of training would argue in favor of shortening all service periods.

Inaugurated Within Two Years

Helsinki UUSI SUOMI in Finnish 23 Jul 87 p 7

[Article by Juha Ruonala: "General Staff Considers Staggering Recruits' Service Periods; New Service Periods As Soon As Within Two Years"]

[Text] Recruits will be getting new lengths of service alongside the 8 and 11-month periods as soon as within 2 years.

According to Chief of General Staff Vice Admiral Jan Klenberg, the staggering of service periods is currently being considered in the General Staff. They plan to get a proposal on the reform to the Defense Ministry as early as next fall.

Klenberg estimates that the first recruits subject to the new service periods would begin their Army service as soon as 1989 or 1990.

They plan to make recruit training somewhat more effective through service periods that are more flexible than before. Klenberg did not, however, want to say how long the new service periods would be. Nor which troop units and which functions that they perform would be affected by the reform either.

"The reform is so complicated and still seriously incomplete that I don't want to speculate on the details. I do, however, believe that the present 240 and 330-day service periods will continue to be retained," Klenberg said.

Defense Minister Ole Norrback has publicly proposed more flexibility for recruits' service periods. According to Norrback, recruits should also be able to serve 9 or 10 months in the Army in addition to the present 8 or 11 months.

Vice Admiral Klenberg did not comment on the opinion advanced by the defense minister.

"The service periods that are under consideration are possible. Periods of other lengths will also be considered."

Review Exercises Not Enough

These past few years we have tried to make our national defense more effective by also increasing review exercises for reservists. This year 45,000 reservists will be engaging in review exercises.

According to Vice Admiral Klenberg, review exercises have not, however, been increased to anywhere near the extent planned. Over the past few years they were able to increase the number of participants in exercises by only half of what was planned.

"At the time, the Parliamentary Defense Committee proposed that the number of reservists called up for review exercises be increased by 3,000 a year. And this is what happened in the 1970's and still during the early part of this decade. During the past few years, however, only 1,500 additional reservists a year have been called up," Klenberg said.

"The General Staff is not quite satisfied with the situation. This matter too depends on money," Klenberg said and stared in the direction of the Finance Minister.

11,466

CSO: 3617/131

SECRETIVENESS IN ARMS PURCHASES, DEFENSE POLICY ATTACKED

Athens I KATHIMERINI in Greek 2-3 Aug 87 p 9

/Editorial: "Arming of the Military"/

/Excerpts/ Each time the government decides on making a serious arms purchase, almost at once questions and even doubts are expressed, even by persons who formerly occupied high-level positions in the military, about whether these arms are the most suitable and most effective for repulsing a "most probable" attack. This happened 2 years ago with the purchase of aircraft that was pompously named "purchase of the century." This also happened a few days ago when the Ministry of National Defense announced the decision to purchase a large number of battle tanks from the United States.

The impression that the frequency of this phenomenon creates in the somewhat informed public--much of the public, unaware and uninformed, comprehends armaments only as far as the tax burden on it is concerned--is that neither the government nor the military leadership has formed any firm concept of or long-term plan for the type, usefulness and role of weapons that are indispensable to us.

The unnecessary secretiveness that surrounds these issues is harmful from another aspect also: at a time when in the defense planning of many countries so-called popular self-defense assumes roles that are not merely helpful in nature as in the past but purely operational, the fact that people are uninformed on the nature and type of warfare they might be called on to wage and on the means they will use is considered a serious mistake.

The government's tactics in using secretiveness for well-known matters has created an atmosphere of general doubt around one critical point: if our defense preparedness (and more generally-speaking our defense policy) is the best (a) in peacetime as "the strongest support" of our foreign policy and (b) in wartime for repelling "a most probable attack" in relation to its type and in relation to the time and place where it might take place.

The impression that prevails on a large scale is that we purchase some weapons or weapons systems just because the presumed enemy has in the past purchased them--or intends to purchase them--and regardless of other conditions. These tactics are often set forth as an obvious axiom and, indeed, particularly persuasively: since Turkey has so many aircraft of that particular type we too

must buy similar ones to get to an equivalent level. The argument "catches on" precisely because of its simplicity and obviousness. Nevertheless, those who understand these matters better observe that the argument ensues from a methodical removal of all those factors that work differently or contrarily "on the two shores of the Aegean."

These things do, however, if, indeed, they are so, reveal a lack of a "national philosophy"--and, of course, a lack of preparedness in planning, organization and armaments--over the type and goals of warfare in case of a "most probable attack." Many military observers note that the greatest misfortune that could happen to an army is to be forced to wage war on a field and with means chosen by the enemy. The Cyprus tragedy is again offered as the most convincing example. The selection of a form of preparedness suitable for a short-lived conflict with rapid mobile means and in a restricted area or a form of preparedness for warfare "in depth of area and time" is critical and decisive. Different combinations of planning, armaments and organization are required in the one case while they should be different in the other case.

5671

CSO: 35210170

CRITICAL SHORTAGE OF AIR FORCE OFFICERS CHARGED

Officers' Association Charges

Oslo AFTENPOSTEN in Norwegian 15 Jun 87 p 2

[Unattributed article: "Critical Shortage of Officers"]

Text] The situation in the air force is critical. This branch of the armed forces is losing officers to an extent that affects the country's defense ability and therefore the nation's security, the air force officers' association emphasizes in a statement.

The association points out that staffing at several military posts is decreasing towards 50 percent in critical service areas. In the statement the association regrets that the proposals which have been submitted so far have been cut or rejected when considered by the government. And this despite the fact that the proposals had the support of the armed forces command.

These are efforts aimed at being able to ensure that officers remain in the armed forces. The situation is particularly serious in the air force, but the army also has considerable problems.

During the celebration for the end of the school year before the weekend, the inspector general for the army, major general Olav Breilid told that this branch of the armed forces is 330 officers short today. This shortage will increase in the future, since officers leave the armed forces faster than new ones can be expected to be trained.

The tight economic situation will present the armed forces with very serious adjustment problems in the coming years. Major general Breilid emphasized that this will have an effect both on the daily operation and on investment.

The air force officers' association is calling on the finance minister and the minister for consumer affairs and government administration who are thought to oppose the armed forces when it comes to budgeting to make available the necessary funds for the armed forces.

Other Services Also Affected

Oslo AFTENPOSTEN in Norwegian 18 Jun 87 p 2

[Op Ed Article by assistant secretary general Even G. Eid, Association of Military School Trained Officers: "Officers' Expectations Thwarted"]

[Text] It is well known that the armed forces are struggling with personnel problems. Not too long ago it was the shortage of pilots which made headlines. Today the armed forces have problems keeping other groups. This is particularly true of posts in Northern Norway where it is difficult to get experienced personnel.

Two Incomes

Possible reasons include the fact that in today's family situation frequently both spouses work and have adjusted to a lifestyle with two incomes. With an assignment to a remote location it is frequently impossible to provide work for the spouse who is not employed in the armed forces. Thus, an officer does not want to go North and be much worse off economically. Therefore, the armed forces are frequently left with drafted officers to fill the positions which were actually intended for much more experienced people.

Supplemental Pay

Our professional political authorities have now come to realize this. Recently, several reports in the local press in Northern Norway quoted defense minister Johan Jorgen Holst after a number of meetings had been held in this part of the country. The newspapers indicated quite clearly that the cabinet minister promised that a number of measures will be initiated to correct the tight personnel situation which the armed forces have to contend with in certain locations. Efforts to get supplemental pay in the order of 42,000 kroner are being initiated. Free food and housing were also mentioned as possible means along with general measures by the armed forces, including improved loan arrangements.

The service's own newspaper, FORSVARETS FORUM, published an article earlier this year in which the permanent secretary of the defense department tells that a supplement is supposed to be introduced; the amount is said to be approximately 42,000 kroner.

Last fall, defense minister Holst appointed a committee, the so-called Officers Initiative Committee (BTUV), which was supposed to suggest measures for improving the officers' situation on an ongoing basis. Among other things, this committee suggested the introduction of a supplement for staff who serves in exposed armed forces stations. BTUV also indicated an amount in the order of 42,000 kroner (B-scale, step 24).

Expectations

It is not surprising that the officers in Northern Norway have great expectations based on all these initiatives. In any case, they were great in mid-April. Towards the end of April, the major unions which organize government employees were hastily called together for a meeting with the ministry of consumer affairs and government administration (FAD). The three main unions appeared at the meeting which turned out to involve negotiations regarding a supplement for technical personnel on some military posts the armed forces have in Finnmark. The reason given was that the defense ministry had stated that there were great problems in recruiting technical officers for these posts. FAD presented an offer at the meeting and wanted to hear at the same time what demands the main unions were making. Nobody from the employees' side had asked for negotiations, and the meeting had also been called on short notice. However, it did not take the main unions long to agree that the expectations which had been created based on previously submitted proposals were good enough demands. Therefore, they asked the government to offer just what BTUV had suggested as possible measures to remedy a personnel crisis in the armed forces. But the government's offer did not come close to these demands.

The Result

Therefore, the negotiation partners had to resort to several meetings before reaching any result. And the result: Technical officers in control and warning posts in Finnmark who have completed their compulsory military service receive a supplement under the B-scale (step 15) which corresponds to 23,241 kroner per year. The negotiation minutes also say: "The main unions stated that they will take the government's offer under advisement. The unions feel that the offer suggested does not solve the problems at the current posts in Finnmark."

The question is raised whether government should not have racked its brains a little more before entering these negotiations. The one brain is offering something quite differently from what the other brain gives!

12831

CSO: 3639/73

NATO PRACTICES ASW OPERATION IN FJORD NEAR OSLO

Oslo AFTENPOSTEN in Norwegian 18 Jun 87 p 12

[Article by Liv Hegna: "Chasing Submarines"]

Text] Norway's first female military flight captain, Siri Skare from Squadron 333 on Andoya, took to the wings Tuesday evening to chase Russian submarines in Norwegian waterways. The Orion plane which is under her command is one of several maritime patrol planes from five NATO countries which participate in the large anti-submarine exercise in the West Fjord presently underway.

An allied submarine force with help from the French submarine 'Agosta' is the intruding submarine force for the occasion. Also participating together with the maritime patrol planes is NATO's standing Atlantic force, STANAVFORLANT. The cooperation between air and naval forces is the main element in submarine warfare.

STANAVFORLANT is a permanent allied fleet force under the command of the supreme commander for the armed forces in the Atlantic command. The force has the North Atlantic as its primary area of operation; it is composed of Canadian, British, Belgian, German, Dutch, American, and Portuguese combat vessels.

Norwegian Frigate

Presently, the Norwegian frigate KNM 'Oslo' under the command of commander Jan Rosnes is also participating. He has a crew of 143 men on board plus two women (one quartermaster officer and one electrician). The crews go on so-called war watch, four hours on, and four hours off. "There is a routine to that also. The morale is excellent," tells captain Rosnes from the ship in the West Fjord outside the Nordland coast. He confirms that the submarine chase has been quite rough since there are poor sonar conditions during the summer. Still, 'hostile' submarines have been discovered several times. But the NATO force is also being attacked, he admits to AFTENPOSTEN.

Original

One element in the submarine warfare which is original by Norwegian standards is the use of helicopters. STANAVFORLANT has six helicopters for this use. According to Rosnes this increases the effectiveness considerably. Otherwise, the foreigners are impressed by the relatively small Norwegian frigates and their ability to still 'fight back'. However, the Allied do not hide their opinion that the Norwegian vessels are starting to get a little old, even though they are being maintained as well as possible.

During the weekend the large fleet force will move from the West Fjord North to practice submarine warfare inside the reefs in the area between Harstad and Tromsø. Afterwards, STANAVFORLANT will head towards Bodo, where most of the NATO fleet crew of altogether 2,500 men will get shore leave on June 25.

12831

CSO: 3639/73

AIR FORCE BEGINS STUDYING REPLACEMENT FOR F-16 FIGHTER

Oslo AFTENPOSTEN in Norwegian 18 Jun 87 p 12

[Article by Cato Guhnfeldt: "New Demands for Fighter Planes"]

[Text] Paris, Jun 17. The armed forces have initiated a fighter plane analysis which will suggest by 1992 what the requirements should be for fighter planes in the Norwegian armed forces after the year 2000. The analysis is being conducted jointly by the air force command and the defense research institute.

Both the development with regard to security policy and military technology will be studied. With regard to the latter, this includes an evaluation of new technology in fighter planes which will be developed within NATO in the coming years. A large delegation from the air force is in Paris this week to study the latest in flight technology during the air show at Le Bourget.

The fighter plane analysis which is now being started resembles in many ways the analysis the air force started in 1965 and which formed the basis for Norway's choice of the F-16 fighter plane in the mid-seventies.

Cooperation

The air force has already established close cooperation with several leading fighter plane producers including McDonnell-Douglas, Lockheed, Saab, and French Dassault Breguet. In the coming years as much information as possible will be gathered from these companies which can give indications as to what type of fighter plane the technology will be able to produce after the turn of the millenium.

"We had, among others, discussions with representatives of the French aircraft industry and outlined our requirements," tells major General Olav Aamodt, inspector general for the air force who visited the Le Bourget show this week. The French promised to give us perspective drawings and information regarding new data technology to help us in our efforts. We expect to get corresponding help from the other producers. We are also studying the technology in new airplanes such as as the Swedish 'Gripen', the French 'Rafale', etc. to get an indication what direction the development of these planes will be taking in the future.

Simplification

Further, the inspector general has outlined the development as to how computers simplify flight operations. Here, infinite possibilities are opening up when it comes to the processing and presentation of information the pilots need, e.g. in the form of three-dimensional maps on a computer screen. However, with regard to weapons the Norwegian representatives do not have that much to gain. Here, Norway is proceeding satisfactorily with new weapons systems which will be placed into service gradually in the air force's fighter planes in the coming years.

If only its design is considered, today's F-16 plane could stay in service until the years 2020-2030.

"But if we install, for instance, a new engine in the year 2005 we will practically have a new plane," Aamodt points out. "This is one possibility. Another conceivable possibility is the establishment of an inter-Scandinavian group for a joint future fighter plane. Incidentally, we are in the process of modifying the engine of the Norwegian F-16 planes to increase their operational safety even more. This work will be completed in 1993-94," Aamodt says.

In 1995-96 today's fleet of F-5 'Freedom Fighters' will have to be scrapped, and the question will be raised whether and how the planes should be replaced.

"Perhaps at that time we will decide to purchase used F-16 planes. Or perhaps a completely new plane. This will depend on the answer the analysis which we started now will be able to give us," the inspector general says.

12831
3639/73

NAVY ORDERING 10 MINE SHIPS WITH AIR CUSHION FEATURE

Oslo AFTENPOSTEN in Norwegian 22 July 87 p 21

[Article by Liv Hegna: "New Mine Ships As Air Cushion Catamarans"]

[Text] Ten new Norwegian mine ships will be built with air cushion catamaran construction in the hull. This introduces a new and revolutionary principle in this type of military vessel.

Captain Leonard Revang of the Naval Logistics Command told AFTENPOSTEN that the new technology will hold costs down. Only 15 percent of the project's two billion kroner will go to the ten hulls of the so-called glass fiber sandwich type.

Renovation of the ten mine ships has long been requested by Defense. The old minesweepers of the 1950's are worn out and full of decay. It is an open question whether they would at all be able to perform their mission at sea if there should be use for them today. AFTENPOSTEN has learned that in the Mine Service expertise is kept up to date and the crews are ship-shape.

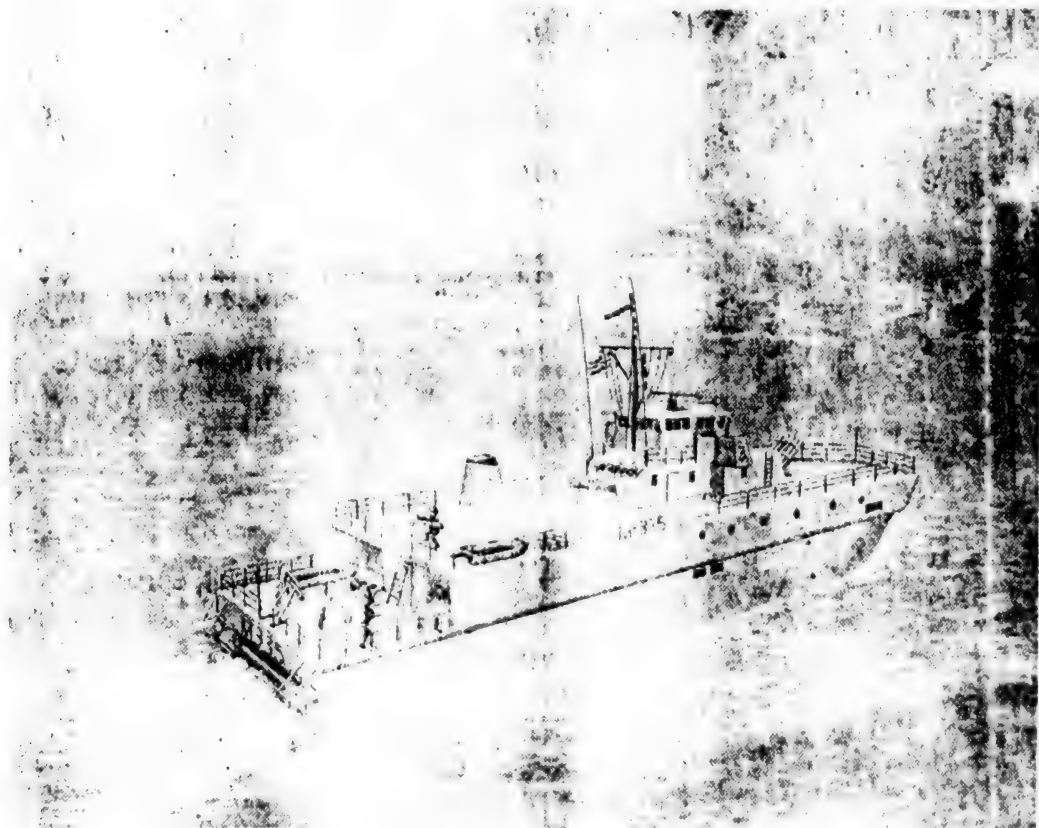
Building Start in 1989

The final specifications for the new ships, the choice of the construction shipyard in Norway, and the signing of the contract will be made in 1988, with the building start for the first vessel in 1989 and delivery of the last vessel in 1996.

The Norwegian coast is 2,600 kilometers long; the stretch from Trondelag to Ofoten alone is 700-800 kilometers long. This is the most important part of the coast for the supply lines to northern Norway. According to the Logistics Command, it is precisely this fact that calls for the new type of hull, because transfers can be made quickly with cushion catamarans. Purely operationally, great speed is not something Naval Defense demands.

The Threat

At one time there was doubt whether the Defense Department would agree to a complete renovation of the mine ship fleet. Now in a press release the Department says that six minesweepers and four mine-chasing vessels will be



A new and revolutionary principle will be started with the building of ten new mine ships. The sketch was borrowed from DET NORSKE VERITAS.

built. Even if the Soviet capacity to lay mines has increased significantly in recent times and if mines are becoming more and more "intelligent," ten vessels seem pretty good to the Navy leadership.

Modern mine-removing vessels are complicated combat units and require high expertise in many areas. As far as equipment is concerned, the Logistics Command relies upon foreign consultants, particularly French and Swedish. As to the selection of a shipyard, Captain Revang says there is a handful of shipyards or shipyard groups in the picture, but that the Aa Brothers in Nordfjord may be slightly ahead of the rest, because they have already produced a civilian version of the air cushion catamaran. It is already in passenger traffic.

The Navy's report shows that 25 percent of the project's costs will go to support functions such as documentation, training material, and base outfitting.

9124

CSO: 36390087

PLANS FOR MADEIRA'S PORTO SANTO AIRPORT ANNOUNCED

Lisbon DIARIO DE NOTICIAS in Portuguese 7 Aug 87 p 3

[Article by Cesar Camacho: "Madeira Needs Air Command and Aeronautical Support at Porto Santo"]

[Text] The ceremony at the Command Headquarters of the Armed Forces of Madeira, during which power was transferred to Brigadier Cerqueira Rocha, provided General Lemos Ferreira the opportunity to point out, in Funchal, the need to increase the "civilian-military development of Porto Santo's aeronautical structure, along with construction of the future air command of Madeira."

The head of the general staff of the armed forces referred to Portugal's responsibilities in terms of collective defense policy under the umbrella of the Atlantic Alliance, maintaining that Portugal's decision to allocate "additional national funding to the defense of the autonomous regions, in lieu of some allied forces foreseen for that end in emergency situations, created unavoidable additional costs."

Lemos Ferreira added that these additional responsibilities "are only partially provided for in the first Military Planning Law," adding that he hopes "to see the allocation of increased funding during the revision of the above-mentioned law in 1988."

CEMGFA [The Armed Forces Chief of Staff] has visited the island of Porto Santo, where the first phase of the expansion project is under way on Portugal's part, and that means lengthening the runway (it will be 3,000 meters long) and marking off parking areas, and protection for the air units that will be assigned to the base. Some of the responsibilities for the remaining structures are to be borne with the co-participation of the Atlantic Alliance.

Lemos Ferreira explained to the reporters that all the planning connected with this project took into account the need for the civilian sector to use these facilities, a fact that led to co-ordinating the entire project with the regional authorities.

Jardim's Agreement

Meanwhile, Alberto Joao Jardim, commenting on this aspect to DIARIO DE NOTICIAS, affirmed that the regional government supported the initiative, justifying it with the "need to give substance to what is called co-participation in Portugal's strategic triangle (the Continent, Madeira, and the Azores) in terms of common defense policy, along with the respective needs of the defense structure on the national and regional level." In addition, Alberto Joao Jardim heaped lavish praise on General Loureiro dos Santos, the outgoing commander-in-chief, for his diligence in planning the structure of Porto Santo and the archipelago in terms of defense.

For his part, Lemos Ferreira told DIARIO DE NOTICIAS that it is, in fact, necessary to rationalize the funding and determine the priorities, but at costs which will not be rejected, keeping in mind the appropriate options of the Portuguese state in matters concerning the archipelagoes' defense. In his speech on the island of Madeira, Lemos Ferreira said, at one point, that "contrary to the naivete of some and the inability of others whose interests differ from those of the nation, the viability and the scope of affirmation of states and nations cannot do without the effective and permanent existence of a certain military capability that will insure a credible deterrence in the general framework of the respective installation."

"P-3" and "A-7" Airplanes for Porto Santo

These positions seemed to receive the support of officials of the autonomous region, who believe that it is absolutely necessary to have this planned military structure in Madeira, which will also be designated for civilian service.

In military terms, Porto Santo will get a squadron of "P-3" airplanes for submarine detection and surveillance, and a second squadron of pursuit planes and ground-attack planes, possibly of the "A-7" type, in addition to helicopters that will perform search and rescue missions.

At the same time, an army garrison, at the company level, with about 200 men, will be placed on the island. Billeting for this garrison has almost been completed.

9895

CSO: 3542/0118

PAPER COMPLAINS AWS EFFORT CONDUCTED LACKADAISICALLY

Stockholm SVENSKA DAGBLADET in Swedish 29 July 87 p 2

[Editorial: "Defense During Office Hours?"]

[Text] In a TIDENS TEGN interview, Major General Ake Sagren, who is the military staff chief for Upper Norrland, said: "Last week I was convinced that something is going on here that shouldn't be going on. In the past I have been skeptical about the reports of the many submarine incursions, but I have changed my mind."

Naturally it is in itself gratifying that insight into the systematic submarine incursions in Swedish territory has reached the military leadership in the north. But it is still a little strange that it has taken such a long time. Particularly since Major General Sagren himself previously served in the Defense Department in the capital.

Because the country's supreme commander has year after year in report after report given an account of "the many submarine incursions." In the year's summary for 1986, the supreme commander said: "In 1986 there is a number of reports of underwater activity where after a very extensive analysis and hard questioning of the report's reliability, there were no other explanations than that foreign activity took place."

In the yearly report for 1985, the supreme commander said: "In 1985 there were fifteen reports in which after a very extensive analysis and hard questioning of the report's reliability there was no other explanation than foreign underwater activity."

It is really remarkable that an active Swedish general in practice declares that he does not believe in the highest military leadership's prepared reports on a major security policy question for the country. For Ake Sagren's statement can hardly be interpreted in any other way.

We think that a tightening up in some places in the defense forces may be profitable. Neither thoughtless statements nor periodic closing of whole defense sectors strengthens credibility at home or abroad. When the supreme commander himself says that "poorly adjusted work schedule agreements" hurt preparedness, it is easy to get the impression that Sweden is defended during office hours eleven months a year. Are things really that bad?

UNIQUE COMPUTERIZED PHOTO ANALYSIS TECHNIQUE FOR ASW JOB

Stockholm DAGENS NYHETER in Swedish 11 Aug 87 p 6

[Article by Sigrid Boe: "Submarine Reconnaissance By Computer"]

[Text] Pictorial evidence from submarine reconnaissance in Torefjarden has been analyzed with the help of a unique Swedish technique. As recently as in June Defense bought equipment from the little computer firm Context Vision Inc., which specializes in the area.

"It is one of the world's most advanced systems for pictorial analysis," Civil Engineer Hans Andersson of the firm's office in Kista outside Stockholm said.

The picture is put under a video camera that takes it to a picture screen, and the information is read in the computer. The picture is then divided up into small building blocks that all can be analyzed and combined in a myriad of variations.

With a few simple steps, Andersson brings forth important information from the very blurred picture the defense staff brought from Torefjarden yesterday.

Dark Field

"The dark field is quite different from the surrounding area. It is therefore an object and not just a shadow. Look here how the waves break differently precisely in this area," he says pointing to the screen.

He then asks the computer to produce the object's form. An oblong picture appears on the screen. Then he looks for sharper edges, and the computer draws a clear contour.

The system contains about a hundred different basic operations the computer can perform or look for. These can then be combined with one another. The more different pictures one brings forth and compares with one another, the more clearly and exactly the object appears.

Video Camera

Not only still pictures can be analyzed by this method. The computer can also be connected directly to a video camera that watches over an area and functions as a guard post.

"First one teaches the computer what is normal in the area. Water, islands, ground, trees, among other things. As soon as something unusual appears, the computer can give the alarm," Andersson explained.

But the pictures alone are seldom enough for a complete analysis in the submarine chase. The system can therefore be joined to other equipment that measures sound and electric impulses, for example hydrophones and magnetic coils. All this information goes into the computer, which combines and analyses it.

"The advantage with a computer system is that it can handle so much information simultaneously and analyze it rapidly without becoming tired and making mistakes," Andersson said.

For example, he explained that the picture we put under the video camera is divided into 256,000 points, of which each consists of 225 coefficients. It takes only ten seconds to analyze them.

9124

CS0: 36500189.B

ITALY TRAILS 'BIG 7' IN NUCLEAR ENERGY PRODUCTION

Rome LA REPUBBLICA in Italian 26 Jun 87 supp p 6

[Article by Giuseppe Turani: "On Nuclear Power, Backward Steps for Italy"]

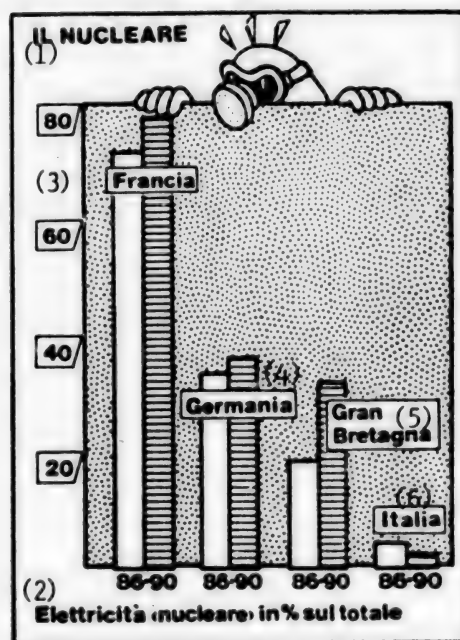
[Text] Nuclear power may not be popular, but it seems destined to move forward, especially in Europe, and in the countries surrounding Italy in particular. This is, at any rate, what can be gathered from a recent study by the OECD, [Organization for Economic Cooperation and Development], the organization that embraces the most important industrialized countries in the world (some 20 of them).

In 1986, for example, in this entire area a little less than 22 percent (21.8 percent, to be exact) of the electricity used was produced by nuclear plants. The OECD's estimate is that this percentage will have risen to 24.4 percent at the end of 1990. This means that, in the most industrialized countries as a whole (excluding those in the East, which do not enter into these figures), a quarter of the electric energy used will be of nuclear origin.

If we look at the situation in the Big Seven countries, we note that nuclear plants are going to move ahead across the board, with the exception of Italy, which is also the country with the fewest plants of all, to the point of being thought of as outclassed. Since these plants require very long periods for design and construction, it is easy to imagine that OECD's estimates are based on plants whose construction is already started and is already almost at an end.

France, for example, already produces a little less than 70 percent (69.8 percent at the end of 1986, to be exact) of its electricity by means of nuclear power plants today. It is anticipated that in 1990, this will go all the way to 76.3 percent. At that point, our transalpine cousins will be producing over three-quarters of their electricity with nuclear plants (we do not even come up to 5 percent, and between now and 1990 we will fall even lower).

Germany displays a more moderate expansion of nuclear power than does France. At the end of 1986, indeed, a little less than 30 percent (29.6) of its electricity was produced in nuclear plants. It is anticipated that by 1990 it



Key:

1. Nuclear power
2. Nuclear electricity as a percentage of the total
3. France
4. Germany
5. Great Britain
6. Italy

will go over 35 percent. At that point, over a third of its electricity will come from nuclear plants.

The biggest effort, however, seems to be the one that will take place in England. In Great Britain today, less than 20 percent of the electricity used is all that is of nuclear origin. By 1990 this percentage should jump to 28.1 percent. The English, thus, are aiming at having a third of their energy produced by nuclear plants at the beginning of the last decade of this century.

Having thus gone around the panorama of the major European countries, we have only to examine what is happening in North America and Japan. In Canada today, nuclear power is already quite in evidence (three times more so than in Italy).

At the end of 1986, in fact, 15.1 percent of the electric energy used in that country was of nuclear origin. In 1990 it will go up to 19.5 percent. This means that within 4 years, a fifth of the electric energy in Canada will be produced by nuclear power plants.

There is an advance in nuclear power even in the United States (a country in which numerous economic problems have arisen in connection with this type of plant). At the end of 1986 the percentage of electric energy of nuclear origin was only very slightly higher than that of Canada (it had in fact reached 16.6). By 1990 it should increase to 19.8 percent. This means that throughout the North American continent, having a fifth of the electric energy produced by nuclear plants (as opposed to a sixth today) will be achieved within 4 years. The country which, for now, will make only a small step forward is Japan, where electric energy of nuclear origin is to go from the 24.6 percent of today to 2 [sic] percent in 1990. We must note, however, that Japan even now has a nuclear-power share higher than the OECD average, and higher than that of North America and England.

And Italy? At the end of 1986, only 4.6 percent of the electric energy was being produced by nuclear plants in our country. There will be no increase by 1990. Rather, we will be seeing a decrease--the only country in the Big Seven to do so. It is in fact predicted that in Italy only 3.7 percent of the electric energy will be of nuclear origin in 1990, as against the 24.4 percent average of the OECD countries.

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CSO: 3528/139

GOVERNMENT TRADE MONOPOLY POST SURPLUS UNDER HOME RULE

Copenhagen BERLINGSKE TIDENDE in Danish 29 Jul 87 Sect III p 5

[Article by Jesper Elle: "Powerful Advance for Greenland Trade"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The increase in consumption across all of Greenland, plus greater construction and installation activity have turned the deficit to surplus in Greenland Trade in the first year of Home Rule. The deficit in traffic activity was less than budgeted.

A strong increase in the amount of goods to and from Greenland due to increased building and installation activity plus an increase in consumption across all of Greenland has produced a powerful advance for Greenland Trade/Kalaallit Niuerfiat (KNI) in the first accounting year of Home Rule.

The total result is a surplus of 36 million kroner compared with a budgeted deficit of 6 million kroner. The result in 1985--the last year under the name Royal Greenland Trade (KGH)--was a deficit of 15 million kroner.

On 1 January 1986 Home Rule took over supply activity, traffic activity, the Greenland Postal Service and the so-called combined income and expenses from KGH.

The supply activity, which operates shops, storage and tank installations in all 16 towns and 53 villages in Greenland had sales of at least 2 billion kroner and a profit of 32 million kroner. That is one million less than budgeted, which was due among other things to KNI temporarily reducing oil prices drastically. If the sale of fuels is eliminated from the record, the supply activity had a sales increase of 11 percent.

Traffic Increase

Traffic activity concluded with a deficit of 7 million kroner, which is 42 million kroner better than the budgeted deficit of 49 million kroner.

The outcome, which is described as very good, is due to a large increase in the amount of goods, because consumption and construction in Greenland has grown, and also because of the fall in oil prices. Individual towns are not

alone responsible for the increase in consumption. Consumption increased over all of Greenland.

Traffic activity sales amounted to 600 million kroner, of which 480 million came from Atlantic trade.

Greenland Postal Service had a deficit of 15 million kroner--one million more than budgeted. The Postal Service is in a difficult economic situation according to the annual report, because costs are rising, while postal charges cannot be increased because Greenland is retaining the same postal rates as Denmark.

The so-called combined income and expenses produced a budgeted surplus of 26 million kroner. That surplus is a part of KNI's payment to Home Rule for financing.

9287

CSO:3613/122

NEW BDI/DIHT OFFICE IN WASHINGTON TO PROMOTE FRG INTERESTS

36200317 Munich SUFDDEUTSCHE ZEITUNG in German 30 July 87 p 24

[Article by hen: "BDI and DIHT Intend to Show the Flag in Washington"]

[Text] The Federal Association of German Industry (BDI) and the German Industrial and Trade Association (DIHT) want to put new emphasis on the representation abroad of German industrial interests. At the beginning of September, both central organizations will for the first time open a joint foreign bureau, which is to operate in Washington independently of the activities of the German-American Chamber of Commerce. BDI and DIHT hope to gain closer contact, especially in the U.S. capital, with the political decision-makers and more up-to-date information of interest to German enterprises on trade policy decisions by the administration and Congress.

The agreement between BDI and DIHT provides that the new Washington branch office will be managed under joint responsibility of the two central associations as the office of a Representative of German Industry and Trade BDI/DIHT. The office will be independent organizationally, but is to cooperate with the German-American Chamber of Commerce in New York and its branch offices in Atlanta, Houston, Chicago, Los Angeles and San Francisco.

A First Attempt

This independent foreign bureau of the two central associations constitutes a first deviation from the present system of representation of German industrial interests abroad, carried out in 43 countries through the respective chambers of foreign trade under the patronage of the DIHT. Only in countries without chambers of foreign trade has German industry been represented in the past by DIHT's own delegates. At present, this is the case only in Turkey, Saudi Arabia, Malaysia, Hongkong, Nigeria and Denmark. In all other trading countries of importance to the FRG, the chambers assume representation of interests of German exporters as well as importers.

These chambers of foreign trade, however, are exclusively institutions of the respective host countries which, among other things, is reflected in their legal forms. The highest body of the chambers is usually the members' meeting which in turn elects a board of directors of the chamber, also seating domestic

entrepreneurs. This is also the structure of the New York chamber, which was a reason for establishing one's own bureau in Washington from the viewpoint of German industry. This is fueled by concern that, in case of an increasingly hard-line U.S. foreign trade policy, the bilateral nature of chambers of foreign trade in the future will make conflicts of interest more probable than previously in the German-American boards of directors of the chambers. However, observers of the chamber in New York admit that, in the past, there had never been any difficulties of this nature. In view of that, detaching the Washington DIWT-PDI bureau from the New York chamber was a preventive measure at best which, however, might quickly prove to be meaningful as a more massive representation of German industry interests in the United States.

"A Meaningful Model"

In contrast to the manager of the German-American Chamber of Commerce, who also must represent the trade interests of the host country vis-a-vis the FRG, the future representative of PDI and DIWT, like the delegates in the six countries previously mentioned, can concentrate exclusively on representing the interests of German industry. The Bonn Ministry for Economics, which considers the new office a component of the German network of chambers and delegates abroad, deems this concept an effective aid for representing the interests of German enterprises in the U.S. capital.

Last but not least, the two central associations also consider the model of the Washington representation meaningful because they assume realistically that the diplomatic service in the long term cannot contribute decisively to improving German industrial representation abroad. This takes into account that recently, the Foreign Office has created about 70 additional positions for new staff in the economic sections of embassies and consulates general, particularly in some Asian countries where neither German chambers of foreign trade nor DIWT delegates exist. However, observers familiar with the situation emphasize that the majority of diplomats involved with economic matters were transferred from those countries already having chambers or delegates, so that a deterioration in the diplomatic representation of German industrial interests has resulted in those places.

Incidentally, it is also regrettable that the proportion of graduate economists and business administrators among diplomats is still much too low, although it had risen from 10 percent to 15 percent in recent years, thanks to increased efforts by the Foreign Office. Frequent transfers are a further grievance. An economic attache has hardly formed appropriate contacts in the host country when he is already transferred to some other post.

HEINEMANN, USSR FIRM--JOINT VENTURE TO PRODUCE MACHINE TOOLS

Duesseldorf HANDELSBLATT in German 23 Jul 87 p 14

[Article by Hans-Joachim Deckert: "Heinemann Advancing on Soviet Market"]

[Text] Moscow. PRAVDA is celebrating the birth of the first German-Soviet joint venture in an almost pathetic fashion. We are not told who fathered this idea but the "parents" have the floor. They are the Heinemann Maschinen- und Anlagenbau GmbH [Limited Liability Company], St. Georgen, Black Forest, and the Ordzhonikidze Machine Tool Factory in Moscow.

General Manager Chikirev views the signing of the document establishing the joint venture, which will operate under the name of Homatek, from a highly political viewpoint. "We can resolutely act on the party's call to improve quality." But he does not disregard economic hopes either. The Homatek Firm, which is to employ 500 workers in the Soviet Union (the German branch operates with 100 workers in the Black Forest), is planning the sale of machine tools--turning centers and transfer lines--above all also in third countries "against freely convertible currency." As the German partner, Heinemann business manager Reiner Lang earlier mentioned exports amounting to something like one-third. The rest is intended to equip Soviet factories.

The founding of Homatek gives us an initial insight into the practice of joint ventures with Soviet partners which is being pushed by the leadership but which the Western economy is very hesitate to go along with because of the lack of basic detailed regulations and guarantees. According to legal regulations, the majority capital in this joint venture is held by the Soviets. This seems to matter little to Lang who has experience in doing business with the East. According to PRAVDA, he brings to Homatek not only money but also equipment for automatic design, calculating machines, copying equipment and, last but not least, the knowhow of his newly-developed "Heidi" machine-tool series. In its plant compound, Ordzhonikidze makes available an area of 25,000 square meters on a lease basis and furthermore provides buildings, apartments, and equipment. The contribution also includes money although the amount was not specified in any greater detail.

The partners, by the way, differ considerably in terms of size. Heinemann GmbH sprang from a corporation which went bankrupt in 1980 and which was managed by the presently 47-year-old business manager Lang who at that time

was appointed by the receiver; like a Phoenix it rose from the ashes. It achieved a sales volume of DM60 million in 1986 with 180 workers. Lang had approached the Soviet market rather early and had obviously had good experience with production cooperation undertakings. The Ordzhonikidze partner firm--the name comes from the Georgian revolutionary "Sergo" Ordzhonikidze, one of Stalin's companions--was founded on the basis of a resolution by a party conference in 1929 and is one of the biggest machine-building complexes of the Soviet Union.

Nevertheless, the PRAVDA correspondent did ask a rather smart-alecky question: "Are you not afraid of going bankrupt?" That gave General Manager Chikirev an opportunity to sketch the future outlook: building on past experience in cooperation over the past several years, he figures on a profit which is already in sight and after that "it is bound to double and even triple." According to other sources, the target is to produce 160 machine units after 5 years.

5058

C30: 3620/309

LAND LABOR MINISTER INTERVIEWED ON INDUSTRIAL ISSUES

Bonn VORWAERTS in German 16 May 87 p 23

[Interview with Hermann Heinemann, minister of labor for North Rhine-Westphalia, by Juergen Schnitzmeier, date and place unknown: "We Do Not Live by Steel Alone"]

[Text] [Question] The North Rhine Westphalian steel industry has announced the dismissal of 25,000 workers. In the coal mines, some 10,000 workers are faced with the loss of their jobs. Altogether, 50,000 jobs in the Rhine-Ruhr area will be at risk over the next 3 years. Is the Ruhr going to turn into a poorhouse ?

[Answer] The Ruhr has been involved in a technological and environmental transformation process for a number of years. Over the past 20 years, the government of North Rhine-Westphalia has taken effective steps aimed at gradually transforming the Ruhr into a modern industrial area with a high standard of living and quality of life. Let me merely recall the Ruhr development and action program. Today, the Ruhr has a new focus--on the new technologies, particularly those dealing with the environment, and, increasingly, on the service sector. It is no longer focused on coal and steel alone by any means. The Ruhr is the only old-time industrial area in Europe where this transformation has been carried out successfully. The achievements in terms of structural change have thus been quite remarkable.

[Question] But the problems with coal and steel still remain...

[Answer] The situation in the steel industry gives us pause and the hard coal industry is hard pressed. This situation calls for joint efforts by all representatives of political life and industry to prevent mass layoffs and to create new jobs. At present, the Land government is working on a coal and steel plan for the future designed to move this restructuring process forward in the interest of the working population. Above all, there is a need for participation by the national government, which is paying less attention to the Ruhr than to other regions of the FRG. The government must at long last protect the future of our steel industry (which is a technological leader worldwide) and must at long last make a clear commitment to our domestic coal industry.

[Question] Currently, the jobless rate in the Ruhr stands at 15.3 percent. Added to this, there is the "silent reserve" of unemployed workers who have not registered. Do you believe that there will be social unrest, if another 50,000 Ruhr workers lose their jobs over the next 3 years ?

[Answer] The people of the Ruhr have demonstrated in the past that they are willing and able to work. But, without a doubt, they are faced with a new challenge. The shutdown of additional coal mines and steel plants calls for immediate plans to create jobs. The need is for an economic policy which promotes economic and environmental renewal and raises domestic demand at the same time. If the urgently needed political decisions are not made right now, the patience of the Ruhr population will be put to the acid test. Dissatisfaction on the part of those affected would then be understandable.

[Question] According to a study by the Ruhr Communal Association, leading business executives are charging the North Rhine-Westphalian government with "a lack of straightforward policies" and calling for "improved ways and means" of restructuring old industries and attracting new ones. Has North Rhine-Westphalia missed the boat as far as restructuring is concerned ?

[Answer] The Land government started to work hard at an early date on improving ways and means to bring about the urgently needed structural changes in the Ruhr area. Let me just recall in this connection the future technology initiative, the steel plant location planning program, the job training program and the Ruhr real estate plan. But I am also thinking of the expansion of the universities and research institutes in the Ruhr and the support for the arts. The study by the Ruhr Communal Association paints a favorable overall picture of the economic situation in the Ruhr and this has repeatedly been underscored by leading representatives of the business community.

9478

CSO: 3620/271

TIME-RESTRICTED EMPLOYMENT CONTRACTS INCREASINGLY COMMON

Duesseldorf *HANDELSBLATT* in German 16 Jul 87 p 3

[Unattributed article: "Time-Restricted Employment Contracts Are Becoming Ever More Common"]

[Text] Duesseldorf, 15 Jul--According to a survey by IG [Industrial Union] Construction, more than a third of all new hiring in the construction trade in 1986 involved time-restricted conditions of employment. Thus, according to the union, the number of such employment contracts has increased by leaps and bounds since the Employment Promotion Act took effect on 1 May 1985.

In regard to this, the deputy national chairman of IG Construction, Bruno Koebele, declared that it was through the act that "employers really first acquired the taste" for only hiring construction workers on a temporary basis.

IG Construction writes that 1,108 enterprises in which 144,278 employees were engaged were included in IG Construction's polling project. In these enterprises a total of 15,659 employment contracts were signed in 1986, of which a good third--that is, 5,330--were time-restricted. On the other hand, 3,325 job situations--about two thirds, therefore--were cited as the direct consequence of the Employment Promotion Act.

Above all, the number of short-term job situations has sharply risen. Thus, a fourth of the time-restricted new hirings were for a period of only up to 3 months, and a total of 60 percent were concluded for only up to 6 months.

Koebele fears that the trend away from the normal--and towards the time-restricted employment relationship--will grow. The initial experiences of construction workers who were newly hired after this year's severe winter, tended to confirm this.

Koebele gave the opportunity of circumventing a series of workers' rights and employers' obligations in this manner as the suspected motive for employers hiring more and more workers only on a time-restricted basis.

13238/9604

CSO: 3620/311

CHEMICAL INDUSTRY REVISES 19TH CENTURY WAGE STRUCTURE

Frankfurt FRANKFURTER ALLGEMEINE in German 20 Jul 87 p 9

[Unattributed article: "Chemical Industry Wage Partners Celebrate an 'Achievement of the Century'"]

[Text] Frankfurt, 19 Jul--The chemical industry is the first large German industrial branch in which the wage structure, which originated in the 19th Century, has been reformed and the status differences in compensation between workers and salaried employees have been abolished. After years of hard bargaining, the National Arbitration Panel, now with a balanced membership, has succeeded (without external arbitrators) in nailing down the collective wage compensation contract for the 690,000 workers of the chemical industry. This contract, celebrated by both sides as an "achievement of the century," will go into effect in the summer of 1988 and, with the exception of isolated adjustments, will remain in force at least until 1995. In addition, wage increases have been agreed upon for the years 1987 to 1989 and, from 1989 on, the 39-hour week with full pay.

Association President Dr Dieter Schlemmer, commenting on this wage package, said that the employers had "gone to the limits of supportable costs." He welcomed the "stable basis for cost calculations through 1990" as well as the working hours, which have been agreed upon through the end of 1991. And Dr Karl Molitor, national secretary of the Employers Association, believes that the social importance of this wage package cannot be overestimated. Above all, he points out that the "cost trenches" have been filled in by both sides--"proof of the functioning of wage autonomy in the chemical industry." The chairman of IG [Industrial Union] Chemicals, Hermann Rappe, is speaking about a great success and breakthrough, about a spirit of mutual trust.

Specifically, the arbitration judgement, which immediately went into effect as a wage contract, provides for the following: In 1987 the contract wages and salaries will be raised by 3.8 percent. One year later the collective wage compensation contract with its henceforth 13 uniform wage groups will go into effect--along with an increase of 2.5 percent in the wage categories.

Outside of the framework of the arbitration, there was an agreement to introduce the 39-hour week with full pay from the summer of 1989 on. This arrangement will be valid to the end of 1991. Additionally, a further wage increase of 2 percent is foreseen. Workers who are over 58 years of age will then only work 35 (now 36) hours per week; this 35-hour week will apply from 1990 on to all workers at age 57.

The wage contract for pre-retirement will expire--as planned--at the end of 1988. Rappe comments on this: "The curtailment of the weekly working hours is the reaction to the fact that the Federal Government does not wish to extend the pre-retirement law beyond 1988." The employers and the factory councils are to agree in the factories as to how the 39-hour week is to be implemented. If they do not agree, there is a binding stipulation that in a cycle of 8 weeks, a free period of 8 hours--that is, a day off--will accrue.

In the final phase of the round of wage negotiations differences of opinions cropped up over the combining of workers and salaried employees in common pay groups. The solution was found in, among other things, guaranteeing the salaried employees' attained level of compensation--to the extent that they are not favored by the wage compensation contract--on a long-term basis by means of compensatory payments. In future wage increases these will be increased as well.

In addition, at the highest level of salaried employees separate wage scales will still remain in individual wage categories for commercial and technical employees, as well as for master craftsmen; along with that, supplementary wage increases of up to a total of DM125 are planned for commercial employees in two stages in 1988 and 1989. Even if all material questions could not be solved at one go, IG Chemicals points out that no one is losing money by the wage compensation contract. On the contrary, many employee groups are enjoying the benefits of increases in wage income.

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CSO: 3620/311

BRIEFS

MACHINE EQUIPMENT FROM USSR--An agreement between Greece and the USSR is expected to be signed for the supply of Soviet machine equipment for public projects to meet the needs of the land improvement service of the Ministry of Agriculture. In fact yesterday minister of agriculture Mr G. Pottakis and the deputy minister of foreign trade of the USSR, Mr G. Tsoumakov—who visited Mr Pottaki—reached an agreement "in principle." In statements to journalists Mr Pottakis informed them that a final agreement on the supply of such equipment will be signed by December in Moscow. This machinery will cost 30 million dollars and will be paid for through agricultural products exports. The Messrs Pottakis and Tsoumakov also looked into the possibility of Soviet financing for projects which the EEC will not finance (irrigation networks, etc.). Full repayment for such financing can be made from the value of the added productivity derived from the irrigation of such land areas. [Text] [Athens I KATHIMERINI in Greek 18 Jul 87 p 11] 13041/12913

CSO: 3521/0161

OECD REPORT URGES CONTINUED RESTRAINT IN FISCAL POLICIES

Warning on Monetary Control

Reykjavik MORGUNBLADID in Icelandic 19 Jun 87 p 11

[Article: "OECD Report on Icelandic Economic Affairs: Restraint Needed in State Finances and Monetary Affairs"]

[Text] The following is the final chapter of the report of the Organization for Economic Cooperation and Development (OECD) in Paris on Icelandic economic affairs 1986-1987 in its entirety. The report was published in Paris yesterday.

When the last OECD report on Iceland was published, in May 1985, effects of economic measures that had been implemented in May 1983, in order to promote better balance in economic affairs, were still present. These measures yielded fairly good results in the beginning. The annual rate of inflation decreased from 130 percent from the first months of 1983 to 15 percent during the third quarter of 1984. The greatest contribution was that the exchange rate of the krona was kept fairly stable and the price index on wages was abolished and wage increases were limited. But the wage agreements in the fall of 1984, which were made after a month's strike and the devaluation of the krona which followed in its wake, lead to a new inflation wave, and early in 1985, the annual inflation rate had become 25-30 percent. Too slack a control of monetary affairs and a growing Treasury deficit also lead to a huge foreign trade deficit and foreign debt accumulation increased. Consequently, there was no reason at that time to doubt that any further results would be achieved in the direction of increasing economic growth and at the same time reduce the inflation in the next 2 years. It was pointed out that an increased restraint in the control of state finances and monetary affairs would be necessary in order to establish a better economic balance.

The economic development in Iceland during 1985-1986 was in many ways more favorable than had been forecast due to unusually favorable internal and external conditions. Increased fish catch; reduction in interest in the international money market and great improvement in credit terms due to the lowered price in oil and increased price in fish, promoted the fact that a balance was reached in foreign trade. During the last 2 years, the national production increased by almost 9.5 percent in real value, and the national

income increased by 12.5 percent. The employment situation has been good, but the results of the fight against inflation has not been as good. The inflation--based on the cost of living index--was 32.4 percent between 1984 and 1985, but went down to 21 percent between 1985 and 1986. However, the inflation rate from the beginning of the year to the end of the year decreased considerably more. The cost of living index rose by 13.5 percent in 1986, compared with 36 percent in 1985. But this inflation decrease can, to a great extent, be traced to the credit term improvement mentioned above, as well as various financial measures which the government resorted to in order to promote moderate wage agreements. As restraint was missing in the control of finance affairs and monetary affairs, and a great tension was present in the labor market, the outcome was that income increased more in 1986 than had been assumed in the wage agreement of February last year. Domestic cost increases did, however, rise more than expected, and the same can be said about inflation expectations.

The outlook is for a considerable increase in the national production and national income in 1987 and that employment conditions will continue to be good. However, a new trade deficit might materialize, and there is great uncertainty about inflationary developments. On the basis of new wage agreements, it is forecast that income per capita will increase by 22.5 percent from the previous year, and the buying power of disposable income by 8 percent between 1986 and 1987. This is considerably higher than in other OECD member countries. It is uncertain whether this development is consistent with stability in economic affairs. The danger is present of wages rising more than expected, especially in view of the fact that there is still tension in the labor market. Thus, the trade deficit might become higher than was forecast; the condition of the industries could worsen and pressure on the exchange rate of the krone might increase. This danger of a new inflation wave calls for effective measures in the fight against inflation, a policy which contains a control of restraint of the state finance and monetary affairs.

Despite favorable conditions during the last 2 years, the treasury deficit has not been reduced. It can, in fact, be maintained that the deficit in a balanced state is considerably higher, as increased activities recently have brought the Treasury increased revenue. For this reasons, it is imperative that the original fiscal objectives for 1987 be achieved. In fact, under these current circumstances, this is a minimum condition. In light of the last wage agreements, there seems to be every reason to consider further fiscal restraint. Several points that support this may be mentioned:

* When there is tension in the labor market and there is shortage of labor in some of the industries, excessive demand by the state promotes wage hikes and undermines further decrease in inflation.

* Despite a recent agreement between the National Treasury and the Central Bank, it is difficult to prevent a Treasury deficit from being financed by an overdraft with the Central Bank. Treasury deficit hampers objective control of financial affairs and promotes inflation and undermines stability in exchange affairs.

* In order to ensure sufficient flexibility in writing the fiscal budget, it is necessary to stop rapid increase in interest payments. It is not enough to only depend on further decrease in interest in foreign investment markets, especially when it is expected that a larger part of the budget deficit than before will be financed domestically.

Measures in fiscal affairs which are supposed to promote modest wage agreements are only justifiable if they do not increase the Treasury deficit. Otherwise, the lack of balance will increase and that might prevent further decrease in inflation in the long run.

The government has set as its significant goal to curb monetary expansion, to a greater extent than before, by allowing interest rates to reflect supply of savings and demand for loans in the monetary market. As described in the fourth part of the report, the organization of monetary affairs has been changed greatly in recent years in order to strengthen the infrastructure of the monetary system. Adjustment of the price index and increased liberalism in the monetary market has lead to the fact that the interest rates of various financial obligations have moved in the direction of what they are in the international market. The condition of deposit money banks has improved, and the confidence of the people in monetary properties has been reawakened to some extent. Moreover, various automation in monetary formation has been reduced by abolishing the repurchase of production credit by the Central Bank and limitation on overdraft allowances.

Despite a step in the right direction with regard to control of monetary affairs and management of finances, there are many things yet to be done:

* Although the condition of the deposit money banks has improved, their liquid fund situation still seems too weak for the Central Bank to apply new provisions on liquid fund obligation as an effective means of control in monetary affairs.

* As long as people do not trust themselves to live with the consequences of having supply and demand decide the interest rate, the danger will always be present that the control of monetary affairs will be too weak. This especially applies while the investment market is still narrow and it is difficult to draw any conclusions about what happens there. So far, the government has not been prepared to accept the temporary cost involved in strengthening a free investment market. This is demonstrated in the fact that the government has been reluctant to offer Treasury bonds for sale with the high market interest rate that has prevailed in the past months. When keeping in mind that an underdeveloped stock market may be one of the reasons why the interest rates must be so high on Treasury bonds in order for them to sell, this view seems to be formed by too much shortsightedness. Strong stock market exchange where long-term Treasury bonds are bought and sold, would result in the interest rate on such bonds going down in the future.

* Direct distribution of credit and centralized interest rate decisions still characterize the Icelandic monetary market. This especially applies to loans for the purchase of housing. Although it is necessary in this connection to consider other points of view than the economic one, the fact should not be overlooked that this policy results in capital not being used in the most economic way.

Irrespective of that, it is obvious that there are clear limits as to what the control of monetary affairs alone is able to achieve. Sensible control of monetary affairs will be quite problematic until the Treasury deficit has been considerably reduced.

The necessity of pursuing a more restrained policy in state financial affairs and monetary affairs will be even more imperative when taking a longer range view. It would not be wise to assume that international conditions would continue to be as favorable as they have been in the last 2 years. Although there has been some progress in strengthening new basic industries, the industrial life in Iceland is rather restricted and the possibilities to add and strengthen it are limited. For this reason, the Icelandic economy is somewhat vulnerable to external shocks. Further devaluation of the dollar; lower fish prices; shortfall in fishing; little economic growth in the world or increase in international interest rates could have serious consequences for Iceland's economic growth and balance of trade. That could lead to the fact that all foreign debt, i.e., both in the private and public sectors which now amount to about 50 percent of the national production, would get out of control. It is imperative that the aim of the policy in economic affairs is toward as much stability as possible. This is in fact nothing new. Previous attempts to reduce the effect of fluctuations in foreign currency income on the Icelandic economy, such as the Price Equalization Fund for the Fishing Industry, have not yielded much results. The control of demand must be strengthened in order to create the economic stability which is the necessary prerequisite for lasting economic growth. Savings must therefore increase. In times of expansion, which can be traced to favorable external conditions, economic control must be formed by considerably greater restraint than it previously has been.

The new perspectives in policy making in economic affairs which have been prevailing since 1983, and the extensive reforms that have taken place in the economic system in the last years, have played a great part in the economic development in Iceland in the past years. But favorable external conditions during the last 2 years have also had a great effect. Both the organization of monetary affairs; increased emphasis on stable exchange rates; improved fishing management and increased emphasis on allowing the market acquisition to take its course, have created conditions for better future balance in economic affairs than it has been up to now. So far, the goal for economic stability has, however, not enjoyed the preference it should have and the implementation of a new economic policy has therefore not been what it should have been. Further measures are therefore needed in order to promote continued economic growth and at the same time reducing the inflation.

Economic Council Chairman Comments

Reykjavik MORGUNBLADID in Icelandic 20 Jun 87 p 4

[Article: "'The OECD Report Underscores Great Results,' Says National Economic Institute Director Thordur Fridjonsson."]

[Text] "The OECD report is not an admonition on the financial control, just the opposite; we fought for the basic changes in the control of monetary affairs and the report confirms that they have been achieved, and we want to continue this work. The Treasury deficit was by design, so I cannot say that I am dissatisfied with the conclusion of the report," said Finance Minister Thorsteinn Palsson when he was asked whether the OECD report was in any way a judgment on his financial management.

National Economic Institute Director Thordur Fridjonsson said when he was asked to comment on the conclusions of the report that there were two things in particular worth noting.

"The report underscores the great results that has been achieved and there is no doubt that great results have been achieved. It also tells us explicitly that there is danger ahead if the expansion in the economy is not curbed," said Fridjonsson.

He pointed out that the consequences of the expansion could be crucial and that they might increase the trade deficit and increase inflation; he also said that the elections and the uncertainty surrounding them had perhaps created a temporary detachment in the management and control of economic affairs.

"It has been pointed out, by the National Economic Institute, among others, that in order not to jeopardize the results that have been achieved, it is necessary to resort to restraining measures. The political parties are now facing the problem of deciding how to prevent increased expansion, and the priority task of a new government will be to find ways to reduce inflation and prevent increasing trade deficit," Fridjonsson concluded.

Admonition From OECD

Reykjavik MORGUNBLADID in Icelandic 20 Jun 87 p 32

[Editorial: "Admonition From OECD"]

[Text] In the new report from the Organization for Economic Cooperation and Development [OECD] in Paris on Icelandic economic affairs 1986-1987, certain factors are emphasized and there is certainly every reason to consider the recommendations and admonitions which come forth in the report. There is a reason to pay attention to four items in the conclusion of the report which was published in its entirety here in the paper yesterday. That part deals with comments by the authors of the report on general development of economic affairs; Treasury deficit; policy in interest rate affairs and comments on the marketing policy.

The most important factor in the OECD report is the recommendation that the economic development in Iceland during 1985-1987 has been unusually good due to favorable internal and external conditions, and that policy making must not be based on the fact that such conditions will continue. These favorable conditions referred to here are increased fish catches; lowering of interest rates in the international monetary market; lower oil prices and moderate wage agreements. But this can all change quickly. The dollar may continue to fall; the fish price may get lower; a fishing shortfall might occur; international interest rates might go up, etc., with serious consequences for Iceland's economic growth and balance of trade.

The favorable economic conditions have led to expansion in the labor market; the demand for manpower is greater than the supply which in turn causes wage competition between businesses and branches of industry. The OECD advice is increased public restraint and in that respect the comment is naturally directed to the great Treasury deficit. It is in fact maintained that the deficit in a balanced condition is far greater, as increased activities recently have brought increased revenue. For this reason, it is imperative that original objectives of the fiscal budget for 1987 be achieved, i.e., to reduce the deficit in definite phases, spanning several years.

It is called to mind in the report that the government has set the important goal of curbing monetary expansion by allowing interest rates to reflect supply of savings and demand for loans in the monetary market to a greater extent than before. It is pointed out that the adjustment of the price index and increased liberalism in the monetary market have led to the fact that interest rates of various finance obligations have moved in the direction of what it is in the international market. The status of deposit money banks has improved, and the confidence of the public in monetary property has been reawakened. But despite a step in the right direction, many things are undone. In that connection it is mentioned, among other things, that direct distribution of credit and centralized interest rate decisions still characterize the Icelandic monetary market to a great extent. This particularly applies to loans for housing purchase. Although other points of view than the economic one must be considered in this arena, the fact must not be overlooked that this policy leads to uneconomical utilization of funds.

The authors of the OECD report consider that the improvements that have been made in the Icelandic economic system in recent years, have played a great part in the economic development in the country. This refers to improved organization of monetary affairs; increased emphasis on stable exchange rate; improved fishing management and increased emphasis on allowing the marketing powers to take their course. It is important to realize how significant this factor is. To be sure, external conditions can be the deciding factor whether there is economic growth and prosperity here in this country or stagnation and economic disaster. But it is crucial how the prosperity is utilized and how the internal conditions are applied to the economy. There is no doubt that the more the marketing views are the deciding factor, the better the prosperity will be utilized for the welfare of the nation. It is not very difficult, and we have ample proof, to ruin the prosperity with poor economic management and control and obsolete framework for the economic and industrial

life. The government that has been in power in the past years, has been instrumental in applying many sensible reforms in the economic system and it has applied sensible and innovative methods in its economic management. The next government, however, has many tasks to contend with because everybody recognizes that there are still many fractures in the public financial management and restraint is needed.

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PAPER VIEWS ECONOMIC CHALLENGE FACING NEXT GOVERNMENT

Reykjavik MORGUNBLADID in Icelandic 7 Jun 87 p 24

[Editorial: "Stable Exchange Rate and the Next Government"]

[Text] The sitting government has ever since it came to power in 1983 pursued a fixed exchange rate policy which has formed the basis for greater stability and lower inflation. Dr. Sigurdur B. Stefansson, economist, points out in an article in the MORGUNBLADID Business Section last Thursday that the policy in foreign currency affairs and exchange rate affairs will be among the most important issues which the new government will have to deal with.

The wage increases last year and this current year beyond the national wealth increase; budget deficit and increasing trade deficit, "now make it increasingly more of a risk to continue to maintain the exchange rate of the krona stable," says Sigurdur B. Stefansson. He points out that the real exchange rate of the krona has increased considerably during the past months and that has been profitable for importers, but the situation in the export sector becomes worse: "There is no doubt that the situation in the main export sectors will become extremely difficult by fall if everything develops in the direction it now seems to be headed. Next year, it may be difficult to make ends meet if the wage development and exchange rate remain unchanged. The authorities must therefore make a choice between two alternatives during the next weeks. Give up the fixed exchange rate and adjust the exchange rate of the krona to domestic price increases and in that way transfer the buying power again from the wage earners to the export goods with a lower exchange rate. Or stick firmly with the current policy in exchange rate affairs and put a firm grip on wage affairs, state finances and monetary affairs and in that way prevent an increasing foreign trade deficit and increase in foreign debt. The second approach is risky for a small nation which has huge foreign debt. This approach requires daring and political shrewdness on behalf of the authorities--but in that way we will move closer, not further away from, the objective to appear in the eyes of others as an economically independent nation."

At this writing, Jon Baldvin Hannibalsson, chairman of the Social Democratic Party, is attempting to form a coalition government with the Social Democratic Party, the Progressive Party and the Independence Party. One of the issues these parties must reach an agreement on before they form a new coalition

government, if they do, is the exchange rate policy. Sigurdur B. Stefansson points out correctly in his aforementioned article that the fixed exchange rate policy requires daring and shrewdness on behalf of the new government. In order to pursue this policy, it will be necessary to make a decision on which foreign currencies should be used as a base of reference for the average exchange rate of the krona.

The dollar has up to now weighed heavily on the exchange rate of the krona. This has caused that we have neither had a stable price of the dollar nor other European currencies here. Sigurdur B. Stefansson has suggested that it would be appropriate to base the exchange rate of the krona on European currencies only. The advantages are more stable import price and thereby a more stable price in the domestic market. At the annual meeting of the Central Bank of Iceland, Director Johannes Nordal aired the same views. But at the same time that a new base of reference for the exchange rate of the krona would be established, a more liberal approach must be instituted in the selling of foreign exchange. MORGUNBLADID has pointed this out and a big step has been taken in this direction in recent years, although there is still a long way to go.

When the national treasury spends more than it takes in, and the inflation and increase in buying power is much higher here than in our trading countries, it is not possible to keep the exchange of the Icelandic krona stable in the long run. Budget deficit causes trade deficit and debt accumulation abroad, unless the private sector saves enough to counter the spending. It will therefore be the task of the new government to restore the national budget.

Many politicians have been frequently talking about the budget deficit; they have claimed that they know ways to earn sufficient revenue--most often through tax increases--even to the extent that it would be possible to increase government services considerably without exceeding the budget.

Sigurdur B. Stefansson says that the budget deficit will not disappear instantly. He says verbatim: "The budget deficit has its roots in the welfare society itself, and it will continue to increase in the next years unless great changes take place in the perspective of people to state-run operations and how to fund public service."

Sigurdur B. Stefansson concludes that the treasury revenue system will not, not even in a revised form, be able to fund investments in state-run operations. The politicians must come to terms about how to pay for public service. Is it not appropriate to contemplate, for example, whether to let those who do not need financial assistance from joint funds, pay for public service, or a portion of it, anyway?

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BRIEFS

ANNUAL INFLATION CALCULATED--The Consumer Price Index Board has calculated the cost of living index based on prices in the beginning of July 1987 which proved to be 202.97 points or 1.75 percent higher than in the beginning of June 1987. In a news release from the Statistical Bureau of Iceland it is stated that of this 1.75 percent increase [as printed] in housing; about 0.2 percent is an increase in user fees of radio and television; about 0.1 percent is an increase in home heating cost and about 0.7 percent is because of an increase in the price of various goods and services. The cost of living index has risen by 18.8 percent during the last 12 months. The increase in the index by 1.75 percent in 1 month, from June to July, corresponds to a 23.1 percent annual increase. During the last 3 months, the index has increased by 5.1 percent, which corresponds to a 21.8 percent inflation rate annually. [Text] [Reykjavik MORGUNBLADID in Icelandic 16 Jul 87 p 17] 9583

LISNAVE DEBT FACILITATION

Lisbon DIARIO DE NOTICIAS in Portuguese 16 Jul 87 p 28

[Text] According to a source in the firm's management, an agreement for the financial reorganization of LISNAVE was signed with all the creditor banks in Lisbon yesterday.

The renewed financial viability of the largest shipyard in the world is based on fundamental issues, such as consolidation of bank liabilities for a 10-year period. They already amount to 25 million contos, and are subject to a fixed rate of about one-tenth of the normal rate on the domestic financial market and to another variable rate determined on the basis of LISNAVE's performance.

Repayment of the debt is to begin in 1990, following a 2-year grace period.

LISNAVE is currently undergoing a period of major expansion; as of 10 July last, it had increased its ship repair business by over 60 percent in comparison with last year.

Estimated billing for this year should exceed 12 million contos in foreign currencies, representing an increase in value of the order of 75 percent.

At the end of June, LISNAVE signed a partial agreement for the firm's financial restructuring concerning the payment of its debt to Social Security and the Public Treasury.

The negotiating process has not been a straightforward one for LISNAVE, since its shares were excluded from the unofficial market of the Porto Exchange on 12 May because of its 1986 results. This decision was contested by the firm's management, which pointed out that profits amounting to about a half million contos were recorded for the first time since 1982.

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